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The Myth Of Excess Profits In The Electric Utility Field

By ERNEST R. ABRAMS

In the century and a half that has lapsed since our nation was founded, wars largely have been responsible for increased Federal taxation. During each of the six periods of major conflict in which we have been engaged, the exactions by the Federal Government have been expanded by amounts so vast they would have been considered utterly impossible of collection in preceding peace years. Not only that. Since the war-time need of Federal revenues always has been so pressing, little opportunity has existed for the development of a well-grounded and well-balanced tax program. Like the Irishman's roof, repairs were impossible when it was raining—and when it wasn't raining, the roof required no repairs.

Under the impact of increasing war demands, which vastly have been stimulated by the mechanization of land forces and the increased play of aircraft, expediency, rather than an objective search for virgin fields of revenue, has dominated Federal tax policy. It has dictated the boosting of existing levies, and has led to further "goose plucking"—to the getting of the most feathers with the least amount of squawking.

Just thirty-five years ago the States of Wisconsin and New York, the first of our States so to do, embarked upon a policy of regulating the rates and service conditions of public utilities operating within their boundaries. To date, thirty-seven States and the District of Columbia have established public service commissions with almost complete jurisdiction over electric utility rates and service, while all of the States but Delaware now to some extent regulate some form of public service. Moreover, with the establishment of the Federal Power Commission in 1920, and with the vast expansion of its powers since the New Deal came into control, the Federal Government has gained considerable jurisdiction over interstate charges for electric energy and natural gas. And as a result of the adoption by Congress of the Public Utility Holding Company Act in 1935, the Securities and Exchange Commission, although it was granted no direct authority over local rates and service conditions, nevertheless has acquired certain indirect control of charges for public services to ultimate consumers.

The fundamental and basic purpose of all this governmental regulation admittedly has been to insure that public utilities, and particularly those rendering electric power

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Our Reporter On "Governments"

The most significant angle about this week's extraordinary financing deal, according to experts, was the indication that Secretary Morgenthau expects only about $350,000,000 from his offering of 2½% bonds due in 20 to 25 years. . . . That's the "tap issue," the offering favored so heavily by Federal Reserve Board Chairman Eccles and the issue restricted to buyers other than commercial banks. . . . $350,000,000 is not much money . . . . Long-term 2½s which can't be bought by banks appear to be no unusual bargain either. . . . And as for leaving the books open for two weeks and alloting all subscriptions in full as received, those developments represent the entering by the Treasury upon an uncharted course too. . . .

Figure it out for yourself. . . . Morgenthau has raised $1,250,000,000 from his sale of 2% bonds—in the ten-year range recommended by all private sources and forecast in this column frequently in the last few months. . . . He is getting another $400,000,000 through increasing the weekly bill offerings from $150,000,000 to $250,000,000 throughout the month of May. . . . What does that leave? . . . $350,000,000 to be borrowed through sales of the 2½s "on tap"—not much money, considering the way the Treasury is borrowing these days and the $4,000,000,000 two-month financing program. . . .

TO PROVE WHAT?

Of course, the tap method of financing is new. . . . And the Treasury is wise to make sure that it's not "out on a limb" and expecting too much from an innovation. . . . The American market always has had to be groomed for new things. . . . (Remember the way the guaranteed issues were sold in the mid-30s? For years, those bonds were cheap in comparison with other issues.)

There's some gossip around, though, that Morgenthau doesn't like and has never liked the tap method. . . . And that this issue is being tried to please the Reserve authorities and others who have recommended it. . . . And that it's being sold this way to prove that the method is not too satisfactory. . . . That's gossip—take it for what it's worth as such. . . .

With the banks prevented from buying the 2½s for 10 years and with insurance companies believed to be the only large-scale buyers, the chances are there'll be no market for these bonds even after the 60-day restriction period on transfers has expired. . . . If there is a market, the price quoted will be lower than on comparable 2½s, it is forecast. . . .

To make that prediction more telling, just consider what would happen to any bond issue already outstanding if the bank support of the issue were to be withdrawn entirely or prevented by regulation. . . . The banks are the backbone of the Government market—that's a fact and there's no point in ignoring it. . . . Without their support, these 2½s may turn out to be a pretty "doggy" issue, if they are traded at all. . . .

CONCLUSION

As this is being written, details on how the deal went over are completely unavailable. . . That's one of the disadvantages of the Government market these days—the lack of information and the fact that nearly every story is rumor. . . . And most of the rumors are discovered later to have been without foundation. . . .

(Continued on page 1769)

OUR REPORTER'S REPORT

With the United States Treasury getting a "clear track" for its enormous war financing program, the corporate new issue market was in a state of suspended animation this week.

The Treasury had only a modicum of competition, from the municipal field, but since projected new issues in that quarter were scant at best it can be said to have had the market entirely to itself.

More than that the rank and file of underwriting and brokerage houses joined in a solid formation to speed along subscriptions for Uncle Sam's immense war chest following the same course originated in the case of the April financing.

That the Treasury's new 2% issue, maturing in nine years, but callable in seven years met with a rousing reception from banks throughout the country was evident from the fact that subscription books were closed as of Mon-

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Brown In Air Corps; Stone Continues Firm

DENVER, COLO. — Donald F. Brown is leaving the securities business to enter the service of the Government as Captain in the United States Army Air Corps; he will be stationed in Miami, Fla.

The business of Donald F. Brown & Company, U. S. National Bank Building, will be continued as a corporation by Ernest E. Stone, formerly sales manager of the firm, who had been associated with Mr. Brown for about twelve years.

Officers of the new corporation, Donald F. Brown & Co., Inc., are Ernest E. Stone, President, and James C. Moore, Secretary and Treasurer. William J. May will be in charge of sales and Mr. Stone will manage the municipal and trading departments. Mae M. Webber will be cashier of the firm.

In Armed Forces

John M. Young, partner in Morgan Stanley & Co., 2 Wall St., New York City, has taken leave of absence for service in the naval forces. He will assume civilian duties in the Navy and expects to receive a commission.

Benjamin Philipson, Philipson & Co., 219 Genesee St., Utica, N. Y., is on leave of absence, having enlisted in the United States Navy. Mr. Philipson is now stationed at Quonset Point, R. I.

Harry B. Graefe, Graefe & Co., Equitable Building, Des Moines, Iowa, has entered active military service and is discontinuing his investment business for the duration.

Harry Herb, Farwell, Chapman & Co., 208 South La Salle Street, has been granted leave of absence from the firm for the duration; Mr. Herb is a captain in the Army Air Corps and has left for Florida where he will be on duty.

Trading Markets in

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The Utah-Idaho Sugar Company is one of the larger beet sugar manufacturers in the United States. The company owns 13 beet sugar factories located in Utah, Idaho, Washington, Montana and South Dakota.

Net earnings for the year ended Feb. 28, 1942, after deducting a full year's preferred dividends, amounted to 35¢ per share compared with 45¢ per share for the previous fiscal year. However, if no change had been made in the inventory method, net earnings would have amounted to 53¢ per common share, the highest net income for any period in recent years.

Book value as of Feb. 28, 1942, amounted to $6.56 per share common. The company appears to have a sufficiently high invested capital tax base to permit a satisfactory level of earnings.

The production outlook for the 1942 crop year is excellent. The company expects to secure from 25 to 35% more beet acreage this year than in 1941. From present indications it appears that the company may produce more sugar than in any previous year in its history.

The company has followed a conservative financial policy in recent years, applying a substantial portion of earnings to the improvement of working capital and to the reduction of funded debt. A continuance of satisfactory earnings should mean that the company will eventually pay more liberal dividends on the common stock than the 15¢ per share paid in each of the past two fiscal years.

Utah-Idaho Sugar Common is currently selling at a substantial discount below the 1942 high.

H. S. Brown Joins Lawrence Turnure Co.

Henry S. Brown, formerly a partner in C. E. Welles & Co., is now associated with the New York Stock Exchange firm of Lawrence Turnure & Co., 50 Broadway, New York City.

L. & M. McFie, Diehl, Summerell At Merrill

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Lyman R. McFie, formerly local manager for Schwabacher & Co., W. W. Diehl, Donald E. Summerell, and Milbank McFie, also with the Schwabacher office in Los Angeles, have become associated with Merrill Lynch, Pierce, Fenner & Beane, 523 West Sixth Street. Members of the Schwabacher sales staff now connected with Merrill Lynch, Pierce, Fenner & Beane are: Cornelius Cole, Thomas J. Collins, Lothar G. Frank, John S. Fraser, Henry Friedman, Don L. Greenwood, Samuel Grodin, Kenneth C. Hardy, Sam E. Hedquist, Irving H. Hellman, William Hopkins, Carleton B. Lyon, David Mannick, Roscoe E. Miller, Lewis A. Morris, Donald A. Nasby, Andrew M. Neff, Donald C. Pousette, Donald W. Redfern, Brown A. Thomas, Robert M. Vaillancourt, and Theodore R. Walker.

Own Firm Formed By H. A. Throckmorton

Harold A. Throckmorton has formed Throckmorton Company with offices at 120 Broadway, New York City, to conduct a securities business. Mr. Throckmorton was formerly a partner in Throckmorton & Gillen and prior thereto was with Reynolds & Co. and F. A. Willard & Co. and in the past was a partner in Charles D. Robbins & Co.

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N.Y. Analysts To Hear Stolper; Nominations

The New York Society of Security Analysts, Inc. announce that the May general meeting, to be held today at 12.30 p.m. at Block Hall Lunch Club, 23 South William Street, New York City, will be addressed on the subject "Is Private Enterprise Dying?" by Dr. Gustav Stolper, economist and author. Dr. Stolper during the first World War was head of the research department of the Imperial Austrian General Commisariat for War Economy; later he became the founder and editor of the economic weekly "Der Deutsche Volkswirt" and the Berlin correspondent of the London "Economist," later he was a member of the Reichstag, serving also on its Budget Committee. In 1933, when Hitler came into power, Dr. Stolper came to this country and is now an American citizen.

The Nominating Committee of the Society announces the following slate for the general election which will be held on May 21st. Named for President is Albert W. Kimber, White, Weld & Co.; Vice-President, Wm. Hamilton Swartz Goodbody & Co.; Secretary, Hamilton Hagar, First National Bank of New York; Treasurer, Marvin Chandler, Barrett Associates, Inc. Nominated as directors for two-year terms are: Benjamin Graham, Graham-Newman Corp. Charles Tatham, Jr., Institutional Utility Service, Inc. and C. J. Vanderhyde, of the Securities & Exchange Commission. Directors elected in 1941 and who hold office until May, 1943, are James F. Hughes, Smith, Barney & Co.; William Loss, and Bradford F. Story, Brundage, Story & Rose. The retiring President became ex-officio a director for one year.

E. F. Hutton Absorbs Turner, Knight Co.

E. F. Hutton & Company, 61 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges, announce that they have absorbed the business and personnel of Turner, Knight & Sholten. Arthur C. Turner, Morris E. Knight, and William A. Sholten, partners of Turner, Knight & Sholten, will be in charge of the enlarged bond department of E. F. Hutton & Co., which will handle a general dealer and brokerage business in United States government and municipal issues foreign government, corporate bonds, and unlisited securities.

Mr. Turner had been with the First Boston Corporation from 1919 to 1941, as manager of the trading department, when he resigned as Vice-President, to become a partner in Turner, Knight & Sholten. Mr. Knight was Vice-President of E. H. Robins & Sons until 1932 when he formed Knight & Co., municipal brokers, which he conducted until 1941 when he joined Turner, Knight & Sholten. Mr. Sholten began his business career with the First National Bank of Boston serving as an executive in the Buenos Aires branch until 1926 when he became associated with the First Boston Corporation, from which he resigned as Assistant Vice-President, to become a partner in Turner, Knight & Sholten.

Lester Pett, Jr., Now R. H. Johnson Partner

Lester W. Pett, Jr., has been admitted to partnership in R. H. Johnson & Company, 64 Wall Street, New York City. Mr. Pett was in the past a partner in Alfred J. Mayer & Co. and was an officer of Hammons & Co., Inc.

Henry J. Stone, Boston, Mass., has withdrawn from partnership in the firm.

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W. E. Hutton Absorbs Dominick Cinn. Branch

CINCINNATI, OHIO — W. E. Hutton & Co., First National Bank Building, members of the New York Stock Exchange and other leading national exchanges, announce that they are taking over the local office of Dominick & Dominick and that W. Maxwell Fuller, William Dohrman, Gilbert Davis, Eugene Mulhauser, and other members of the Dominick & Dominick Cincinnati staff will become part of their organization as soon as necessary details are complete.

It is understood that Dominick & Dominick's branches in Dayton, Ohio and Jackson, Mich. will also be closed in the near future.

Allan Melhado Opens Own Office in N. Y.

Allan L. Melhado has opened offices at 120 Broadway, New York City to conduct a securities business. Mr. Melhado recently acquired a seat on the New York Stock Exchange. He was formerly president of Fundamental Group Corporation and was with E. A. Pierce & Company.

H. Gersten To Manage Bittner Trading Dept.

Henry B. Gersten has become associated with Bittner & Co., 80 Broad Street, New York City, as manager of their trading department. Mr. Gersten was previously manager of the trading department for Alexander Kremer & Co., Inc.

Carreau Admitting Hassell

Carreau & Co., 63 Wall St., New York City, members of the New York Stock Exchange, will admit Charles L. Hassell to partnership in their firm on May 15.

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Am. Sulphur Industry In Good Position

The American sulphur industry finds itself well able to cooperate with industrial users of sulphur who recently were advised by the War Production Board to build up stocks of sulphur at their plants so that possible future transportation tie-ups would not halt their operations. All sulphur production and shipment records were broken in 1941 and stocks at the mines decreased about 7%. The sulphur industry, however, during the first three months of this year, was able to exceed by about 8% the 1941 rate of production and increase by about 20% the rate established during the first quarter of 1941. As a result, stocks of sulphur at the mines on March 31 of this year were slightly in excess of the stocks at the end of 1941 in spite of the present accelerated demand and shipments. Producers of sulphur, therefore, have available ample stocks from which consumers may build up their reserves during the summer and so relieve the strain on the railroads during the fall and winter.

Lewis, Sprague On Bd. Of N. Y. Business Bur.

Mead A. Lewis, of Dick & Merle-Smith, New York, and C. O. M. Sprague, Wood, Walker & Co., New York City, both of which firms are members of the New York Stock Exchange, were elected to the board of directors of the Better Business Bureau of New York City at its annual meeting. Eighteen other directors were re-elected.

Orr Opens In Orlando

(Special to The Financial Chronicle)

ORLANDO, FLA.—Clifton W. Orr has opened offices at 706 Lake Davis Drive to engage in a securities business, specializing in municipals. Mr. Orr was formerly Vice-President of W. B. Rogers & Co., Inc.

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SEC Applications For Broker Dealer Registry

The following applications have been made for registration as brokers and dealers with the Securities and Exchange Commission on the dates indicated:

April 1, 1942—Harmon Curtis has withdrawn from partnership in Newton, Abbe & Co., 60 Federal Street, Boston, Mass., remaining partners being Edwin M. Newton, Carleton H. Simmons and H. Wadsworth Hight.

April 2, 1942—King and Adams, 406 State Line Avenue, Texarkana, Ark., Jewel Warren King and Robert Tumbs Adams, partners.

April 3, 1942—Merritt Banning Chastain, 725 Giddens Lane Building, Shreveport, La., a sole proprietorship; Brooks Van Horn, 443 Gladstone Blvd., Shreveport, La., a sole proprietorship.

April 4, 1942—Clarence R. Hoffer, 177 Ockley Drive, Shreveport, La., a sole proprietorship.

April 8, 1942—Davenport & Company, 1113 East Main Street, Richmond, Va., filed application to report the adoption of a new partnership agreement.

April 10, 1942—Newman, Davis & Company, 918 DuPont Building, Miami, Fla., Frank D. Newman, Irene J. Hickey, and Paul Davis, officers; Irving Stein & Company, 25 Beaver Street, New York City, Irving Stein and H. Landau Stein, partners, Nathon Lukow having withdrawn.

April 11, 1942—Roy Bochum, 303 West Methvin Street, Longview, Tex., a sole proprietorship; Rawson Lizars & Company, 135 South La Salle Street, Chicago, Ill., Howard R. Mullins admitted as a general partner, Rawson G. Lizars retired as a general partner; Umber & Company, 232 West First Street, Reno, Nev., Howard E. Umber and Stanley R. Geminiani, partners.

April 13, 1942—Case, Bosch & Company, 208 South La Salle Street, Chicago, Ill., Gaylord J. Case, sole proprietor, Logan A. Rozelle and John M. Sherly having withdrawn from partnership; Negley, Jens & Rowe, 917 Jefferson Building, Peoria, Ill., Don L. Negley and John W. Rowe, partners, R. C. Adams having withdrawn from the former corporation; Russell L. Irish Investments Corp., 1424 Old National Bank Building, Spokane, Wash., Russell L. Irish, formerly an individual dealer, H. Dorothy Irish and Patricia Herboth, officers.

April 14, 1942—Fred Ruff, 160 Orange Avenue, Irvington, N. J., a sole proprietorship.

April 15, 1942—Richard H. Godfrey & Company, P. O. Box 217, Levelland, Tex., Richard H. Godfrey and C. G. Slough, partners.

Turner With Milwaukee Co.

(Special to The Financial Chronicle)

WAUSAU, WIS.—Wells E. Turner is now connected with The Milwaukee Company, 207 East Michigan Street, Milwaukee, Wis. Mr. Turner was formerly Secretary and Treasurer of the Northern Wisconsin Securities Co. and prior thereto was with the First American State Bank of Wausau.

John M. Winetzki, also for many years with the Northern Securities Co., has joined the staff of The Milwaukee Company.

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Edgar Phillips Joins Sutro & Co. Staff

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Edgar M. Phillips has become associated with Sutro & Co., Van Nuys Building. Mr. Phillips was recently with Schwabacher & Co. and prior thereto for many years was an officer of M. H. Lewis & Co.

Maurice Schwarz, Jr., also previously with Schwabacher & Co., is now connected with the staff of Sutro & Co.

R. E. Swart Elected Pres. of Huyler's

R. Emerson Swart has been elected president of Huyler's effective May 1, according to an announcement by Winston Paul, Chairman of the Board of Directors. Mr. Swart, one of a group who recently acquired the Schulte interest in Huyler's, will succeed Charles J. Gregory, president of the Southeastern Gas & Water Co. and a voting trustee of Huyler's, who has been acting president pending election of a successor. Mr. Gregory will continue as a director of Huyler's and Chairman of its executive committee.

As a result of Mr. Swart's election to the Huyler's presidency, R. E. Swart & Co., Inc. will cease operations on May 1. Mr. Swart, will, however, retain the post of Chairman of the Board of Southeastern Gas & Water Co. and his directorships in several other companies. The entire personnel of the firm will join Craigmyle, Rogers & Co., members of the New York Stock Exchange.

Sees Bright Outlook

The outlook for the future is far from stormy according to a bulletin issued by Karl D. Pettit & Co., investment managers and counselors, 20 Exchange Place, New York City. It is likely that we are near the turning point of the war, the bulletin declares, and continues that the deflationary forces seem to have run their course and the forces of inflation are about to be reflected in the stock market, which should soon see an important rise in security prices, and a renewed popularity in common stocks as the spread between yields on fixed income securities narrows.

Copies of this interesting analysis of the current situation may be had by writing to Karl D. Pettit & Co.

Am. Lt. & Trac. Interesting

Shepard, Scott & Co., 44 Wall Street, New York City, have prepared a statistical study covering the liquidation probabilities in American Light and Traction Co. shares.

A limited number of copies is being made available for distribution.

Interested In Sugar?

Analyses of Utah-Idaho Sugar and Amalgamated Sugar have recently been compiled by Edward L. Burton & Company, 160 South Main Street, Salt Lake City, Utah. Copies may be had from Edward L. Burton & Company, upon request.

Frank J. Garceau Is Now With Keane & Co.

(Special to The Financial Chronicle)

DETROIT, MICH.—Frank J. Garceau has become affiliated with Keane & Co., Penobscot Building, members of the Detroit Stock Exchange. Mr. Garceau was formerly with S. R. Livingstone & Co.; prior thereto he was manager of the trading department of the Detroit office of Schouten, White & Co., Inc., and was manager of the unlisted department for Alison & Co.

Ira Ayers Associated With Minsch Monell

Minsch, Monell & Co., Inc., 115 Broadway, New York City, announce that Ira C. Ayers has become associated with their firm and will represent them in New Jersey. Mr. Ayers was formerly with John B. Carroll & Co. Prior thereto he was manager of the municipal bond department of Nugent & Igoe of Newark, was sales manager for Ira Haupt & Co. and for 17 years was with the Guaranty Trust Co.

Schmitt Retires from Hayden, Miller & Co.

CLEVELAND, OHIO.—Hayden, Miller & Company, Union Commerce Bldg., announce the retirement on May 1, 1942 of Ralph S. Schmitt, a general partner, who will become associated with the Cleveland Twist Drill Co., of which he is already a director, the largest manufacturer in the country of twist drills and reamers.

For the last four years Mr. Schmitt has represented his firm on the Cleveland Stock Exchange. His membership has been transferred to another partner of the firm, Mr. Theodore Thoburn, who is also taking Mr. Schmitt's place as Secretary and Treasurer of Western Reserve Investing Corporation, an investment trust closely associated with Hayden, Miller & Company.

Leweck With Loewi Co.

(Special to The Financial Chronicle)

MILWAUKEE, WIS.—Seymer M. Leweck has become affiliated with Loewi & Co., 225 East Mason Street. Mr. Leweck was formerly with John A. Toennessen & Co. and prior thereto was a principal in Securities Distributors Corporation and the West Side Trading Co.

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Fred S. Kelly Joins Stifel, Nicolaus Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Fred S. Kelly has become associated with Stifel, Nicolaus & Co., Inc., 314 North Broadway. Mr. Kelly was formerly manager of the statistical department of Crago, Smith & Canavan and prior thereto was an officer of McCourtney-Breckenridge & Co.

Pfd. Stock Looks Good

The preferred stock of E. W. Bliss offers an interesting situation at the present time, according to a circular just issued by Wyeth & Co., 40 Wall Street, New York City. Copies of the circular may be had from the firm upon request.

Lillge With Paine-Webber

(Special to The Financial Chronicle)

WAUSAU, WIS.—Harry W. H. Lillge has become associated with Paine, Webber & Co., 605 North Broadway, Milwaukee, Wis. Mr. Lillge was previously cashier of Northern Securities Co. of Wausau and prior thereto was with the First American State Bank.

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Charles E. Dick** and **Lawrence Wallwork** have become associated with **Goodbody & Co.,** 135 South La Salle Street. Mr. Dick for many years was with Hallgarten & Co. Mr. Wallwork was with Hallgarten & Co. and prior thereto for a number of years with Lamborn, Hutchings & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**John W. Bullock** and **William B. Daniels** have become affiliated with **Thompson Ross Securities Co.,** 39 South La Salle Street. Mr. Bullock was formerly with A. G. Becker & Co. for many years; Mr. Daniels was with Addison Warner & Co., Investment Analysis Associates and Webber, Darch & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Joseph M. O'Connor** has joined the staff of **Otis & Co.,** Terminal Tower. Mr. O'Connor was previously with Johnson, Kase & Co., Jackson & Curtis, and Paine, Webber & Co.

(Special to The Financial Chronicle)

DETROIT, MICH. — **George C. Morgan,** previously with Campbell, McCarty & Co., is now with **Smith, Hague & Co.,** Penobscot Building.

(Special to The Financial Chronicle)

KANSAS CITY, MO. — **J. Harvey Foster** has become connected with **McDonald and Co.,** 1009 Baltimore Avenue. Mr. Foster in the past was with John J. Seerley & Co. and Alexander, McArthur & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CAL. — **Leonard E. Graham,** previously with W. Mel Wilson & Co., has been added to the staff of **Fewel, Marache & Co.,** 453 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CAL. — **Adelaide S. Newinger** is now with **Samuel B. Franklin & Co.,** 215 West Seventh Street.

(Special to The Financial Chronicle)

LOS ANGELES, CAL.—**William R. Scull** is now affiliated with **Hopkins, Hughey & Co.,** 609 South Grand Avenue.

(Special to The Financial Chronicle)

ORLANDO, FLA.—**Roy D. Kennedy** has become connected with **Corrigan, Miller & Co.,** whose main office is in the Alfred I. du Pont Building, Miami, Fla. Mr. Kennedy was formerly with W. B. Rogers & Co., Inc.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — **Harry Soulard Shaw,** formerly with Francis, Bro. & Co., has been added to the staff of **Newhard, Cook & Co.,** Fourth & Olive Streets.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF. — **George A. Curran** has become associated with **Conrad, Bruce & Co.,** Russ Building. Mr. Curran was previously with Bankamerica Company and Donnellan & Co.

(Special to The Financial Chronicle)

SHEBOYGAN, WIS.—**Benjamin W. Harff** has joined the staff of **Heronymus, Ballschmider & Co.,** Security National Bank Building.

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Rubin Elected Pres. Selected Am. Shares

CHICAGO, ILL. — Edward P. Rubin was elected President of Selected American Shares, Inc. at the April meeting of the Board of Directors. Mr. Rubin, a director of the Company, has been Vice-President for the past year, and since the company's inception in 1933 has been President of Security Supervisors, Inc., managers of the portfolio of the fund.

Mr. Rubin succeeds Robert S. Adler, former President and Treasurer, who is leaving for service in the Army. Mr. Adler, who has been a principal officer and director of the company since its incorporation, will not for the duration of the war be active in the management of its affairs although he is retaining his directorship.

Richard S. Cutler and Roy E. Campbell, who have been connected with the managing agent for some time, were elected Vice-President and Treasurer respectively.

H. E. Wilder Is Now With Illinois Co.

CHICAGO, ILL. — Harry E. Wilder, who has been active in investment security circles in Chicago for 20 years, has joined The Illinois Company of Chicago, 231 South LaSalle Street.

Mr. Wilder entered the investment business in 1922 with the Federal Securities Company, an organization formed by a group of "Minute Men" prominent in the Liberty Loan Campaign of World War I, and continued with its successor, the Central Republic Company, until 1936.

He then joined Brown, Harriman & Company, and continued with their successor organization, Harriman, Ripley & Company, until joining The Illinois Company of Chicago.

Jas. Tucker Now Partner In Barcus, Kindred & Co.

CHICAGO, ILL. — James C. Tucker has been admitted to a general partnership in the firm of Barcus, Kindred & Co., municipal bond specialists, it is announced. He will continue to direct the company's Austin, Texas, office as he has for the past five years. Mr. Tucker has been engaged in the financial field for a number of years.

Fischer Co. Enjoined

On the complaint of John J. Bennett, Jr., Attorney General for the State of New York, a permanent injunction has been issued by the Courts against Fischer & Co., 39 Broadway, over-the-counter securities firm, Harry Q. Fischer and his wife, Anna, partners in the firm, and Alfred H. Lewis, restraining them from doing business in New York. The Attorney General's office charged that Fischer & Co. had misappropriated customers' securities, so that the company was insolvent for more than $10,000. John F. McGowan, 11 West 42nd St., New York City, was named receiver.

UP-TOWN AFTER 3

NEW MOVIES

With warm weather already here and audiences looking for light, frothy escapist themes, the picture people are busily engaged in releasing their musical comedies for public consumption. The best of the coming and recent lot is **"Ship Ahoy" (MGM), starring Eleanor Powell and Red Skelton, with Virginia O'Brien, Bert Lahr and Tommy Dorsey and his orchestra.** "Ship Ahoy" has about everything a good musical should have. Good music, catchy tunes, fine dancing, rib-tickling comedy and even the story, which musicals are seldom burdened with, is not too impossible. The plot is built around a pulp writer, his male secretary, a dancer, a theatrical troupe and how they all get tangled up with a spy ring. Eleanor Powell as the dancing star, and Red Skelton as the writer meet on shipboard and the inevitable romance springs up. Bert Lahr as Skelton's secretary and Virginia O'Brien as the singer of the troupe make up the other pair. Lahr is as funny as only he can be. In fact, he's funny enough to steal scenes from Skelton whenever the two appear. The dialogue, the comedy scenes and the situations are all aimed at getting laughs. It succeeds all the way. . . . **"My Gal Sal" (20th Century-Fox), with Rita Hayworth and Victor Mature.** The red plush biography of Paul Dresser, the Irving Berlin of the 90's, it drips nostalgia with its songs—"Banks of the Wabash," "My Gal (they call her frivolous) Sal" and other favorites of the mustache cup days. Picture stresses the story and so far as that is concerned it is too much of one of those success things to be actually biographic. Paul Dresser, brother of Theodore Dreiser, played by the petulant Victor Mature is slated for the ministry. But Paul runs away, joins a medicine show, gets laughed at by city slickers and the ridicule drives him to become the top song writer of his day. Rita Hayworth as Sally Elliott, musical comedy star of the 90's, dances well and looks beautiful in technicolor. Victor Mature as the Man with the Body Beautiful poses well if not forcefully as her sweetheart. Incidentally the songs sung by Miss Hayworth are pleasant but the voice is someone else's dubbed in. . . . **"Grand Central Murder" (MGM).** Van Heflin as the private detective and his wife Patricia Dane in an amusing whodunit, with the murder committed in the Grand Central Station. Sam Levene as the police inspector blusters his way along but finally loses to the boyish Van Heflin. . . . **"Tarzan's New York Adventure" (MGM),** in which Johnny Weissmuller and Maureen O'Sullivan leave their jungle fastness for the streets of New York in search of their kidnapped boy. A field day for the youngsters with Tarzan doing a Brody off Brooklyn Bridge and finally licking the bejabbers out of the dastardly villains.

RESTAURANTS

The Olney Inn (12 E. 49th) keeps buzzing along with its colored Mammy dispensers serving the Southern fried chicken and other dishes that helped the Olney Inn become famous from the deep South to Washington—and now New York. The hot biscuits, cottage cheese and jams on each table give it the right homelike atmosphere.

AROUND-THE-TOWN

Carol Dexter, the lovely songbird, offering samba lessons to Paul (Morning Telegraph) Martin—for free. We step in and ask "how about me?" Naturally, we don't admit that we have yet to get around to the waltz. . . . The **Penthouse Club's** bartender, George, describing the magnificense of his new "wine cellar." "It's that big," he says, pointing to Central Park. . . . Also at the Penthouse, Marine Colonel Morrison telling of exciting times during old campaign in Santo Domingo. Anxious to hear more but afraid to ask questions. We'll be taken for a spy or something. . . . Aside to Mrs. Stone: Sorry about that mistake. Even we ought to know the correct initials are AWVS. But our memory is something that even our friends laugh at . . . and we know of it only by hearsay. Sylvia (N. Y. Post) Porter can verify . . . for which abject apologies. At **Armando's** . . . an Army officer coming in . . . a General no less . . . and Armando, eager to play the host, goes over and greets him, "Good evening, Captain!" . . . At the **Cafe Pierre** . . . headbartender Oscar Haimo rolling his eyes as he describes the palate tickling delights of his latest creation, The President Manuel Quezon Cocktail. "It's a secret, but delicious," he adds. . . . At the **Versailles** . . . Lana Turner wearing a red handkerchief on her blonde head (Miss Shepard of the "Chronicle" staff says it's called a babushka), but no sweater, sitting with her ma and some guy named Joe, at a table way back, the place is that jammed. We occupy the next table and close enough to touch her. We are tempted to try it but scared that if we "doose it someone will bwake our wittu arm." . . . That George Morris music-making outfit at Armando's comes closest to giving out with those John Kirby rythms than any orchestra we know of. . . . Murray Korman, the photographer who makes 'em glamorous when they're not tells us the following: Hanley Stafford, who plays the daddy opposite Fanny Brice on the Maxwell Coffee radio program recently cabled his son Graham, who is flying in England with the RAF, asking if he could hear his broadcasts. Weeks went by and when he finally received the answer "Yes," he had forgotten his question. So he sent another cable to his son, asking, "Yes, what?" Back came Graham's wire, "Yes, sir."

F. V. Nixon Now With Hopkins, Hughey Co.

(Special to The Financial Chronicle)

. LOS ANGELES, CALIF.—Francis V. Nixon has become associated with Hopkins, Hughey & Co., 609 South Grand Avenue, members of the Los Angeles Stock Exchange. Mr. Nixon was formerly in business in New York City, and prior thereto was an officer of Distributors Group with headquarters in Los Angeles, and was with Rutland, Edwards & Co. and Laswell & Co.

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Tomorrow's Markets Walter Whyte Says—

Tax talk boosted from unofficial sources now big talking point. Market having reached previous resistance point is waiting for tax bill to reach Congress before committing itself. Expect reaction to take place from present levels. If base develops will recommend "buys."

By WALTER WHYTE

The last few market sessions have largely been given over to a more talkative consideration of the tax question and its possible developments. No one really knows how the whole thing will come out, but that doesn't stop the grapevine from vibrating like mad.

* * *

Last week everybody was scratching their heads at the $25,000 income limit. This week—at this writing anyway—the same people seem convinced that no such top will become law. The fact that these people know little about the whole thing, doesn't seem to make any difference. With brokerage commission business limited to just talking about it, what better conversational subject could come in for a thorough tossing around than the income level, what it is supposed to be and what it will do to securities.

* * *

I'm as uninformed about taxes as the next guy, but that doesn't stop me from shooting off my mouth either. I figure if I make a loud enough noise people will kind of look up to me as a sort of fountainhead of knowledge. And anybody knows that being looked up to, is a most satisfying position to be in.

* * *

From things I read in the papers as coming out of the august House Ways and Means Committee it begins to look like some kind of general sales tax is in the immediate offing. Of course, nothing definite has come out of the Committee but if you study the Washington news and read between the lines, you will find the same thing.

* * *

The method by which this Committee works, by the way, is very interesting. It argues everything out in secret session. So secret are these proceedings, that even the Committee's own experts are kept out of the room. This prevents leaks and keeps the people back home from knowing who wants what, who voted for, and who is against it. Finally, a bill is evolved and brought to the floor of the House. An independent Congressman has no choice but to vote for or against it. Tax bills under an archaic House rule usually prohibit consideration of amendments. Your Congressman has to vote yes or no. If he votes "No" he is placed in an embarrassing position of having blocked an important piece of fiscal legislation.

* * *

This as you can see, is a nice, cozy arrangement. The eminent lawmakers who are actually responsible for bringing an inadequate bill to the floor, can remain unknown. They can go back and tell their constituents that they had nothing to do with the bill, if it proves unpopular. They can claim credit, if it is. It's all very nice and nobody gets hurt, except the poor taxpayer. He is used to it.

* * *

Obviously, any conjecturing on what may happen to securities in the face of a nebulous tax measure that is so hush-hush must remain that—a conjecture. Then too, there is a war going on. Or haven't you heard? That stocks will go up in the face of this bunch of "ifs" is nice to ponder on, but even one's imagination must give way to realities.

* * *

Up to this writing the market has puffed and huffed its way up about four points. A good deal of this was started by the shorts. Still, even shorts can start a ball rolling with enough momentum to label it bull market; though short lived.

* * *

Last week I wrote that if the market showed enough

(Continued on page 1769)

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NYSE Borrowings

The New York Stock Exchange announced on May 4 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business April 30 aggregated $335,147,820, an increase of $4,786,801 over the March 31 total of $330,361,019.

The following is the Stock Exchange's announcement:

> The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges reported by New York Stock Exchange member firms as of the close of business April 30, 1942, aggregated $335,147.820.
>
> The total of money borrowed, compiled on the same basis, as of the close of business March 31, 1942 was $330,361,019.

Missouri Pacific Underlyings

Erie Incomes

Circular on request

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The belief has been growing that the trustees of New York, New Haven & Hartford may seek authority to make some payments on account of back interest in the near future, rather than wait until the end of the year as has been their custom in the past. Earnings have been showing progressively wider year-to-year gains so far in 1942. For the first quarter net operating income amounted to $4,789,237 compared with $3,177,697 reported a year earlier. The high rate of armament plant activity in the area is now being augmented by increased passenger and freight rates and there is little possibility of curtailment throughout the balance of the war at least. At the same time, the road will be benefiting more and more as time goes on from the easing of the competitive situation which has long been a major adverse factor in its operations.

Rationing of gasoline and the shortage of rubber for tires will cut even further into highway transportation of both passengers and freight. Shortage of oil and submarine interference with barge shipments will mean increasing dependence of New England industry on railborne coal. This combination of circumstances apparently assures "New Haven" of a far better earnings in 1942 than even the 1941 showing when old fixed charges were earned 1.45 times and there was a balance of $1.63 a share on the old common.

Coincident with the earnings betterment, and despite the substantial interest disbursements made late in 1941, financial position has been improving rapidly. As of the end of February cash items totaled $23,676,218, a gain of $6,229,361 over a year earlier. With this background there certainly seems ample justification for the expectation of fairly liberal interest payments this year, and there appears to be no reason for any serious delay.

The Interstate Commerce Commission now has under consideration a compromise reorganization plan designed to meet the objections of the court to its earlier proposal. It is expected that the revised final plan may be filed in the relatively near future, but, nevertheless, consummation of the reorganization is still a long way off. The Commission will probably move the effective date of the plan forward to Jan. 1, 1942 or 1943, and therefore, it may be expected that interim interest payments will continue to be on the basis of the old bonds and existing interest rates rather than on the basis of reorganization treatment.

The back interest payments made last December aggregated approximately $14,900.000 and at least that much should be distributed this year. Nevertheless, payments on individual issues will not be the same as last year. Some of the divisional liens which are nearly up to date will probably receive less than in 1941 while others will get more. The following tabulation shows payments made last year, and also the amount of back interest still unpaid. This will afford some inkling of what may be expected on some of the bonds this year:

	*Last Coupon Paid	1941 Disbursement	§Accrued Unpd. Interest
Central New England 4s	7-1-40	$80.00	$60.00
Housatonic 5s	11-1-40	100.00	75.00
New England 4s	7-1-39	80.00	100.00
New England 5s	7-1-39	100.00	125.00
New Haven & Northhampton 4s	12-1-38	80.00	120.00
Harlem River & Port Chester 4s	11-1-40	80.00	60.00
‡New Haven first & refunding 4½s	6-1-37	50.63	202.50
New Haven Sec. 6s, 1940	10-1-38	101.25	210.00

*Where principal has matured, and there are no coupons attached, we have computed to the regular interest dates.

§Based on coupons matured and unpaid to May 1, 1942, inclusive.

‡Debentures secured under this mortgage but not listed in the tabulation received proportionately the same payment and have proportionately the same unpaid accruals.

Of the $14,900,000 disbursed last December, roundly $4,300,000 went to the divisional bonds listed, with the balance distributed to the Secured 6s, 1940, and bonds secured by the 1st & Refunding Mortgage. Payment of the entire balance of back interest due on these divisionals to and including May 1, 1942, would absorb only about $4,200,000. It appears, therefore, that there is an excellent chance that all of these arrears may be cleared up this year, after which the bonds might go on a regular interest basis for the balance of the reorganization period, or until earnings turned sharply lower.

If the trustees and the court judged that the company was in position to make aggregate disbursements in excess of those made last year, and this seems logical in view of the improved earnings and finances, the bonds under the 1st & Refunding Mortgage might look for payment of one and one-half to two years' interest this year, with a proportionate increase in payments to the 6s, 1940. In such an event, however, it is not likely that the entire payment would be made at this time. Part would probably be postponed until December

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Atkinson & Moore Now With E. W. Clucas Co.

E. W. Clucas & Co., 70 Pine Street, New York City, members New York Stock Exchange, and other national exchanges, announce that William G. Atkinson, George G. Moore, Jr., formerly officers of Craig Colgate & Co., and Louis I. Tuttle, also of that firm, have become associated with them. The firm of Craig Colgate & Co. has discontinued business as of May 1, 1942.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜, low—14¾, last—38⅛.

SEATTLE GAS COMPANY
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SMITH, LANDERYOU & COMPANY
210 Farnam Bldg. Omaha, Nebraska

THE BOND SELECTOR

Seattle Gas Company furnishes gas to the City of Seattle and environs without competition, serving a population in excess of 400,000: The present capitalization of the company is as follows:

$158,000	First Mortgage 5% Bonds due March 1, 1944
$4,725,000	First and Refunding Mortgage 5% Bonds due Oct. 1, 1954
47,250	shares of $5 First Preferred Stock (prefer. in liquidation at $100 per share)
27,556	shares of Second Preferred Stock
23,825	shares of Common Stock

War conditions which brought about larger sales also brought higher costs of operation. New wage rates granted to the company's employees amounted to approximately $100,000 per year effective Sept. 1, 1941. The cost of industrial gas oil went up 5¢ per barrel, or approximately $25,000 per year, effective Jan. 1, 1942.

An application for a rate increase was made to the State Department of Public Service on Oct. 6. Prompt hearings were held and a decision was rendered on Dec. 10, effective Dec. 15, granting rates calculated to increase the company's revenue 6.91¢ per m.c.f. on the average, or 8.26%, which will raise total sales revenue approximately $168,400 per annum. This is slightly more than enough to offset the definitely anticipated immediate increases in expense. At the same time the rate structure was simplified by dropping a number of schedules and combining them with others. The heaviest increases were effected in the heating and industrial brackets where existing rates were disproportionately low and in many cases actually below the cost of service.

During the years 1937 and 1938, the company constructed a new oil gas plant which was expected to produce gas at a low cost. For several years, difficulties beset the management, and economy of operation in the new plant was a hope and not a fact. During all this time, however, careful study of the plant was being made, and in the fall of 1941 certain corrections were made, and net income for that year showed, in part, results of these improvements.

From that time, earnings have continued to improve, and figures for the first three months of 1942 show net earnings of $92,000 (nearly equal to the earnings for the entire year of 1940).

Seattle Gas Company's problems have been mechanical ones—the company has consistently increased the volume of gas sold. With the major difficulties solved and minor ones in the process of correction, the outlook for the company is good.

Some months ago, Mr. N. Henry Gellert of Philadelphia, a man of known ability and many years of experience, was retained as consulting engineer by the company. He is spending considerable time at the plant assisting greatly in bringing about economical operation of the system.

Net earnings for the 12 months ending March 1, 1942, are $207,831.74 against $93,822.25 for the preceding 12 months. The period ending March 31, 1942, shows $4.39 available for each share of the preferred stock as compared to $1.98 a year ago.

At the present time, several important changes are in prospect. During the next few weeks, the company expects to sign a contract for the sale of all lampblack at a satisfactory price which will eliminate many phases of operation and insure full value for this by-product.

The current position of the company is reflecting improvement in operation. The Dec. 31, 1941, balance sheet shows cash of $117,138, and two months later the Feb. 28, 1942, balance sheet shows a cash position of $254,073.85. Federal income taxes for 1942 are not expected to be heavy because depreciation for that purpose was figured on at a substantial property value.

Net current position as of March 31, 1942, was $187,113 as compared to $95,294 on Dec. 31, 1941.

It is interesting to note at this time, that if all the preferred stock outstanding could be purchased at $12 per share, the purchaser would have a total investment of $567,000, and net earnings available for this stock of $207,831.74.

Below is a condensed comparison of the net income for the 12 months ended March 31, 1941, and March 31, 1942.

	Mar. 31, 1942	Mar. 31, 1941	Increase
Total Gross Earnings	$2,234,928.90	$1,999,651.48	$235,287.42
Total Operating Expense	1,564,533.69	1,448,078.32	116,455.37
Total Net Earnings (gross corporate inc.)	670,395.21	551,563.16	118,832.05
Total Deductions from Gross Corporate Inc.	462,563.47	457,740.91	4,822.56
Net Income to Surplus	207,831.74	93,822.25	114,009.49
Times annual bond interest covered	1.85	1.39	
Earned per share first preferred stock	$4.39	$1.98	

Special Cover For NYSE Sesqui-Centen.

The Stock Exchange Philatelic Society, composed of employees and members of the Exchange, as well as partners of member firms, will distribute, on May 17, an interesting souvenir cover commemorating the 150th Anniversary of the New York Stock Exchange.

The price is ten cents for each cover or twelve for one dollar, mailed to you or your friends. Any profit derived from the sale of these covers will be turned over to a War Service Organization.

Requests for covers should be addressed to Harry Thie, Room 628, 11 Wall Street, New York City, together with payment.

The Philatelic Society will also hold a large stamp exhibition during the week of May 18th, on the 14th floor of 11 Wall Street, and you are cordially invited to attend.

Bank and Insurance Stocks

This Week — Bank Stocks

A sharp market turnabout in the bank stocks, stimulated by House Committee vote to recommend increase in surtax much more moderate than that recommended by the Treasury, is reviving investment interest in bank shares and revising critical opinion about the earning ability of banks under wartime conditions.

On May 1, the House Ways and Means Committee voted to recommend a surtax of 16%, as compared with 31% proposed by the Treasury. Thus, the combined income and surtax would be 40% under the Committee proposal, compared to 55% proposed by the Treasury, and 31% prevailing in 1941.

The House Committee also recommended a flat 94% rate on excess profits taxes, and lowered the rates that may be earned upon invested capital before excess profits tax applies. Excess profits credit would be 6% on invested capital of over $10,000,000 and 5% on invested capital of over $200,000,000. This would compare with last year's 8% credit on the first $5,000,000 of invested capital and 7% on the remainder.

On balance, banks and other companies having large invested capital would find the proposed 16% surtax, instead of 31% suggested by the Treasury, to be of great help in trying to maintain earning power in wartime. Among the leading New York City banks, for example, only two have capital funds of over $200,000,000, the majority falling in the 7%-6% excess profits credit bracket of $10,000,000 to $200,000,000. For 1941, Federal Reserve study shows that the 17 largest member banks in Greater New York earned an average of 5.6% on capital accounts.

Even among those banks which apparently earned more than 6% on capital funds for 1941, the stated capital funds do not necessarily measure the full extent of invested capital, because of the general practice of carrying large undisclosed equity reserves.

Compared to such moderately increased exposure to excess profits taxes, the banks would find a 16% surtax, compared to 7% in 1941, a much fairer burden than the 31% proposed by the Treasury. Roughly speaking, earnings would have been affected 25%-30% by a 31% surtax, but under a 16% surtax would be affected about 10%-15%, which would give banks a better chance to try to make up the increased tax load by expanding earning assets.

A bank, for example, having $4,000,000 subject to normal tax and surtax would on a 40% basis have $360,000 additional taxes compared to 1941 rate of 31%. To make up such taxes on medium term Government securities yielding, say, 1% gross and .6% net after taxes, an added volume of $60,000,000 in Governments would be necessary. This compares with $960,000 higher tax burden under a 55% normal and surtax scale, which would be covered by expansion in Governments, yielding 1% gross and .45% after taxes, totaling $213,000,000.

Banks figuring "backwards," therefore, would be faced with less strain on capital ratios in their figuring of earning asset volume necessary to carry in order to create earnings to cover expenses (including higher taxes), pay a reasonable dividend, and plough back a reasonable portion of earnings to capital funds.

But such concern over capital ratios in wartime seems academic. All available purchasing support must be mobilized for the huge amount of war financing to be forthcoming, so that preconceived notions of capital ratio strength would have to be secondary to necessities of war financing. Nevertheless, a fairer burden of taxes would allow the banks to plough back a larger portion of improved earnings accruing from Government securities expansion, and thus help to keep capital ratios from getting entirely out of bounds.

For the stockholder, lower burden of taxes enhances the outlook for maintenance of dividends, since bank earnings would not be hit so severely, and ratio of ploughed back earnings could be maintained or improved with lower given expansion in earning assets and diminution of capital ratios.

At one time, the tax laws gave banks and insurance companies a fair preferential tax treatment, on the ground that such moneyed corporations should be given every opportunity to improve net worth and thus build up a capital cushion for deposits, unearned premiums and similar "other people's money." It seems illogical that this differential should have been eliminated in recent years, at the very time when volume of deposits and other liabilities to the public were mounting to new highs, capital ratios were becoming smaller, and low money rates made the task of maintaining ploughed back earnings more difficult than ever. Now, under the necessities of wartime, all classes of taxpayers must contribute more than ever, but it seems wise to set tax rates at a point where moneyed corporations, which are not outstanding earners in wartime anyhow, could contribute their share of the tax load and at the same time fulfill their obligation of maintaining capital strength relative to liabilities to the public.

The heavy tax burden recommended by the Treasury influenced several dividend reductions by banks in the past six months, led to investor suspicion of other dividends, and has been a chief factor in the break-through of bank stock prices through the record 1932 low. On April 28, 1942, a published bank stock index declined to low of 30.01, compared with 1932 low of 31.34. By contrast, industrial share prices (Dow-Jones average) at their 1942 worst, held at 2¼ times their 1932 low of 41.22. Bank stocks were severely depressed, and had been under pressure, except for a brief year-end period, since last October.

A rally seemed overdue, for the proposed 55% normal tax and surtax rate seemed to be quite well discounted. Consequently, on news of the House Committee's action in recommending a 40% scale, bank stock prices have responded sharply. The cited index to May 2, showed over 8% appreciation from the record low set on April 28. This was much better than the rise of the general market, only the utilities comparing in appreciation.

If this recommended surtax of 16% is enacted, then the tax load would not be so hard to carry, considering that the estimated 10%-15% effect of such an increase in the surtax could very well be offset by forthcoming expansion in Government securities volume. Consequently, it would seem that dealers and investors would do well to re-examine the investment position of bank stocks at present levels still not far from the record low.

Central-Penn National Bank
Corn Exchange Nat'l Bk. & Tr. Co.
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Provident Trust Co.
Phila. Transportation Co.
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H. N. NASH & CO.
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Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000

Aggregate Assets 30th Sept., 1941 .... £150,939,354

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The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

LONDON OFFICES:
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47 Berkeley Square, W. 1

Agency arrangements with Banks throughout the U. S. A.

Registration Simplified

The Securities and Exchange Commission announced on April 7 the adoption of a rule under the Securities Act of 1933 providing a greatly simplified • registration procedure for securities of certain companies which are entitled to use form A-2. According to the Commission, the new procedure may be used if the registration statement is filed within 90 days after the date on which a previous registration statement of the issuer on form A-2 became effective, and the previous statement is not subject to proceedings under section 8 of the Act or an order entered thereunder. From the Commission's announcement we also quote:

> Under the new rule, the prospectus will comprise the principal part of the new registration statement. Information contained in the prospectus is not required to be duplicated elsewhere in the registration statement except insofar as such information is contained in the required exhibits. Certain items of the form are required to be answered insofar as the information does not appear in the prospectus. However, the answers to these items may be incorporated by reference to the extent that the information was given in the previous registration statement.

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The Securities Salesman's Corner

This Seems To Be A Good Time To "Single Shot!"

"Pick out a situation that you like and stick to it!" This was the advice a successful investment dealer gave to his salesmen back in the dark days of 1932-33. This procedure actually pulled his firm through those hard times. Business picked up as a result, any many news friends were made because investor clients of the firm were induced to make their commitments when prices were low. Then, as now, the securities outlook was clouded. Pessimism and uncertainty prevailed while nearly everyone was befuddled regarding their investments.

The sound principles which underlie this suggestion appear to be two-fold. Proper sales effort can be directed toward more definite objectives when an entire organization becomes sold on a specific issue. Enthusiasm is cumulative. One salesman sees another taking hold and making some sales, and he begins to feel like doing the same. Likewise the correct investment procedure is incorporated in this idea of picking out a "winner" and selling it. The main point in this respect is to be as certain as is possible that you have really picked a "winner."

From the standpoint of the sales psychology involved, let us look at the state of mind of our investor today. He probably has few, if any, convictions concerning what should be done with his present holdings. If he has any size portfolio worth mentioning it is almost a certainty that competent analysis would show that he owns some securities that should now be sold. He also must be acutely aware of the possibilities of further impairment in the value of his portfolio due to the advent of total war.

What should be the most effective approach to an investor who is in such a state of mind? The salesman, we think, should first of all be direct and definite in his recommendations. His reasons for believing in his offering should be concise and convincing. In this way doubts are replaced by confidence in the mind of his prospect.

Then again, one of the best ways of getting a sales presentation "down pat" is to specialize in a single offering. The more we tell a story the better we tell it. This is the way to cut out extra talk and hit the "high lights" in a manner that carries conviction and builds up confidence. Once the salesman gets his listener to thinking about the new offering in a constructive manner rather than allowing him to dwell upon his troubles and disappointments the way begins to clear for business. Then the salesman can suggest the sale of unattractive holdings and the purchase of the new offering.

When it comes to the correct procedure involved in replacing weakened situations with those of greater promise, there can certainly be no argument. This column, for instance, firmly holds to the opinion that many common stocks could well be replaced with medium grade bonds. The fact that bond interest is a charge before taxation is a vital consideration in respect to present day investment problems. The salesman should stress this point because its a powerful argument for bond investment as against the purchase of common stocks. The position of certain medium grade, railroad bonds, is also something to be brought to the attention of today's investor. Their popularity is likewise deserved. Also there are the bonds of traction and urban transportation systems that should enjoy greatly increased revenues as a direct result of the war program. There are other companies that have been in a famine for many years that also are the recipients of greatly increased business. These are the kind of situations that should be dug up and presented to today's disgruntled securities buyers. Of course, each separate offering must stand on its own feet. Every firm has its special methods of looking up situations and deciding what it is going to push—the main job is to pick a real bargain and then **go out and sell it!**

As a word of warning, there is also a danger in making a "one issue" drive. If the security is sold to many of the firm's customers, or the salesman loads up his clients with an issue, and it later turns out that the recommendation has been unwise—look out for trouble. It is therefore important that every angle of investigation is covered with great care and that the evidence in favor is overpowering, before any specific security is decided upon.

Our Reporter's Report

(Continued from First Page)

day night, the first day of the offering.

The new so-called "tap" 2½s, maturing in 25 years, but callable in 20 years, likewise appeared assured of early absorption to the amount desired by the Treasury.

Designed for institutional investors, other than commercial banks, that issue evidently carried real appeal for the major insurance companies, for whom it was primarily intended.

"Big Five" Steps Up

Indicative of the response of the insurance world was the performance of the "Big Five" group. All told this aggregate of insurance capital, probably the largest in the world, subscribed for close to $400,000,000 of the long-term 2½s.

Equitable Life Assurance Society of the United States, and Prudential Insurance Company entered subscriptions for $100,000,000 each of the "tap" bonds, while Mutual Life Insurance Company and New York Life Insurance Company took down $60,000,000 and $50,000,000 respectively. Equitable in addition subscribed for $50,000,000 of the new 2s.

Metropolitan Life took down $100,000,000 of the new 2½s. This company had previously subscribed for $72,000,000 of the certificates of indebtedness, marketed in April.

Interior Banks Buy 2s.

Commercial banks around the country, that is outside New York, it was understood, were proportionately more receptive to the new 2s than the metropolitan institutions.

That is, the ratio of their subscriptions, in proportion to their assets, was on a higher plane. The new 2s have been quoted at a slight premium, even though it is understood that the Federal Reserve extended some support to other sections of the government list during the week.

Estimates in investment quarters indicated that it was expected allotments would run from 35 to 50% probably averaging around 40% of subscriptions.

Definitely On The Fire

Two new corporate issues moved definitely nearer to actual marketing, provided nothing happens to stall the flow of investment funds, as the necessary registration was filed with the Securities and Exchange Commission.

Public Service Electric & Gas Co., filed for the sale of $15,000,000 of 3% first and refunding mortgage bonds of 30 years maturity. Originally the company had contemplated private placement, but at the behest of the SEC decided to throw the sale open to competitive bids.

Meanwhile the Philip Morris & Co., Ltd., filed for an issue of 49,666 shares of $100 par value preferred stock and the "rights" which will be offered first to present stockholders. This company, incidentally, is expected to go into registration very shortly on about $6,000,000 additional of debentures.

Maybe Yes and Maybe No

There was considerable stirring in municipal bond circles coincident with reports that several groups were organizing with a view to bidding for a possible issue of some $140,000,000 for the City of Cleveland.

But enthusiasm generated by such reports chilled rather quickly in consequence of the rearks of Edward L. Shea, President of the North American Company, with regard to prospects for the sale of that company's control of Cleveland Electric Illuminating Company.

North American Co. must divest itself of its holdings in the Cleveland utility, and there has been sporadic discussion of the idea that the City will seek to purchase the properties.

But Mr. Shea made it plain that North American is not inclined to entertain anything in the way of a bid based on current market prices for the securities, holding that such prices do not represent the real value.

His remarks indicated, the parent company was not particularly expectant so far as bids, at this time, are concerned.

Stern In New Location

Frederick M. Stern, member of the New York Stock Exchange, has moved his office to the main office of E. F. Hutton & Co., 61 Broadway, New York City. Mr. Stern is a specialist in foreign securities and is known as a writer and analyst of Latin American commerce and finance. Before becoming a member of the Stock Exchange last year, Mr. Stern managed the trading department of Albert Graef, Inc. He is a member of the Security Traders Association of New York, Inc.

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Bond Series Low-priced Bond Series Income Series
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Investment Trusts

How have the investment companies stood the test of the war? Did professional investment managers recognize the trends, foresee the developments? The answer is "yes," if investment company management is any criterion. Twenty-five leading open-end investment companies, without exception, outperformed the Dow Jones Industrial Average from Aug. 31, 1939 through April 30, 1942.

The outbreak of war between England and the Axis in September, 1939, gave management the first real chance to prove itself after the 1937 recession. Since 1937, markets had been churning; the economic pattern seemed meaningless. But with the outbreak of war the economic background of future developments was made clear. Investment managers had a foundation on which to base their operations. The problem then became one of interpreting political and social developments in light of the known economic situation and thus determining investment policy.

Obviously, a haphazard policy of investing in a little of everything would be folly in modern war times. So also would be a policy of trying to pick a few winners. No one knows where price ceilings, priorities, or labor troubles are going to strike next.

In the last war some industries supplying principally war materials reaped huge profits. Others, considered vital, found the prices of their products restricted or set by the Government—or else their very operations were put under Government control. Still other industries were unable to secure essential materials from abroad, or found their foreign markets so restricted that rather than reaping unsual profits they suffered unusual losses. Incomes and profits of all corporations were heavily taxed.

In present times all political operations are being carried out on a far grander scale. The war itself is much greater in scope. Government regulations and controls, shortages of materials, restrictions of markets, taxes will all far exceed anything conceived of in the first World War.

Against this background investment companies have been quietly revamping their portfolios as conditions require—liquidating this, adding that. Today the results show. Let's look at the record.

In the first phase of the war, the 15 months from the outbreak of war till Pearl Harbor, the Dow Jones Industrial Average (adjusted for theoretical dividends amounting to 5% annually on the closing price, Dec. 6, 1941) made a net loss of 3.49%. Twenty of the 25 trusts studied during this period registered net gains, including dividends, amounting to as much as 20% in some cases. Of the other five, the worst record was a loss of 7.47%.

In the second phase of the war—Pearl Harbor through April 30, 1942—the Dow Jones Industrial Average, adjusted for dividends actually paid, showed a loss of 16.05%. Over this relatively short period 21 of the 25 trusts outperformed the Average—the best showing a decline of only 8.54% and the poorest a loss of 18.93%.

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PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
INCORPORATED
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634 SO. SPRING ST. LOS ANGELES

And over the full period every one of the trusts turned in a better record than the Dow Jones Industrial Average.

The trouble generally, with war-time investing, is that no one can tell beforehand just which securities will suffer and which will gain. Individual companies fare differently in war as do individual industries.

It is in just such a situation that the principles of diversification and continuous supervision upon which the investment companies have been founded prove their worth. By spreading its funds over a wide field an investment trust loses only slightly from a company that falls by the wayside, and still stands to gain substantially from those that survive and prosper. By continuous supervision, the portfolio is adjusted to eliminate many of those companies that are likely to gain.

Performance proves that this works in practice as well as in theory.

* * *

Investment Company Reports

Incorporated Investors—March 31, 1942

Incorporated Investors reports total net assets of $28,056,024 on March 31, 1942. This equals $11.99 per share on 2,340,341 shares of capital stock outstanding and compares with net assets of $36,632,142 on March 31, 1941, equivalent to $13.71 per share on the 2,672,264 shares then outstanding.

(Continued on page 1769)

Send for Prospectus
Republic Investors Fund, Inc.
Distributing Agent
BULL, WHEATON & CO. Inc.
40 Exchange Place, New York

Municipal News & Notes

Following the recent purchase by the City of Cleveland, Ohio, of the transportation system previously owned by the Cleveland Railway Co., through the sale of $17,500,000 3¾% transit revenue bonds, municipal bond circles were justly excited Tuesday by reports that the same city was considering the issuance of about $140,000,000 revenue bonds. It was understood the proceeds of such sale would be applied to the acquisition of the Cleveland Electric Illuminating Co., a North American Company subsidiary.

It must be realized, however, that the prospects of any such deal reaching a concrete stage in the near future, is most vague. In fact, it was emphasized by Edward L. Shea, President of the North American Company, that, in view of the disturbed and uncertain conditions as reflected in present market prices, it is extremely doubtful that North American would receive an offer for the Cleveland Electric stock which the company would be justified in accepting. He added, however, that North American would, of course, give consideration to any bona fide offer approximating "the fair and equitable value of any of its holdings."

Will Bombs Affect Municipal Credits?

Since bombing attacks on these shores have become a possibility, the question has been brought up as to the possible effect severe damage would exert upon the credit of the bombed cities and towns. In a current bulletin, Kaiser & Co., San Francisco municipal dealers, report in part as follows:

"It seems unlikely that such damage could be sufficiently great (in the absence of actual invasion) to affect the security of a municipality's bonds. An excerpt from a letter written to us by a large Canadian life insurance company, which has a substantial investment in British municipals, is enlightening on this point:

> **" 'Our experience with British municipal securities has been excellent. To my knowledge there has never been a default involving any British municipality, and despite all the destruction, deaths and sorrow caused by the German air attacks, this record still stands. I wonder if the Germans will stand up as well when their turn comes.**

Arizona Legislature Adopts Municipal Tax Resolution

The Arizona Legislature adopted recently a concurrent resolution, memorializing Congress to resist the passage of any legislation calling for the taxation of municipal bonds. This resolution was forwarded to the proper authorities in Washington. If every State in the Union were to adopt similar resolutions, we feel that the Administration might take cognizance of the attitude displayed on a national scale.

FPHA Statements Received

The Commissioner's office, National Housing Agency of the Federal Public Housing Authority, Washington, D. C., has furnished us with the income and expense statement for 18 low-rent housing projects of 15 different local authorities, whose fiscal year ended Dec. 31, 1941. Also available to interested subscribers is the general balance sheet as of Dec. 31 1941, for each of said projects.

State Governments Council Conference

The Council of State Governments announces that 200 or more representatives of 13 Eastern States will attend the regional conference on emergency fiscal problems at the Hotel Roosevelt in New York tomorrow and Saturday. Delegates to the conference will include State budget, finance and tax officials and representatives of governors, commissions on interstate cooperation and councils of defense.

FLORIDA

FLORIDA
MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R. E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

Many municipal officers also are expected to attend. States to be represented at the conference are Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia and West Virginia. Harold D. Smith, U. S. budget director, Carl H. Chatters, executive director of the Municipal Finance Officers Association of the U. S. and Canada, and tax and budget officials of several of the 13 States are included among the speakers on the conference program.

N. Y. City's Fiscal Condition to Be Studied

Mayor La Guardia launched last Friday the most comprehensive and farreaching study of municipal finances and tax problems to be undertaken in the recent history of New York.

The Mayor appointed to make the study a joint multi-partisan board of city and State officials, three former Governors, bankers, business men, real estate owners, labor leaders, representatives of civic organizations and finance and tax experts. Some of the 35 members have been bitter critics of the Mayor's fiscal policies, and all shades of economic and political opinion are represented.

New Jersey Railroad Tax Legislation

The New Jersey Legislature recessed last Friday, until May 18, after passing a bill modifying a 1941 law setting up a new system for taxing railroads. A companion measure to relieve the carriers of an additional $6,000,000 interest on unpaid taxes for 1932 and 1933 was defeated.

N. J. State Water Authority Will Aid Cities in Emergency

A State water authority set up for New Jersey by its 1942 Legislature will help meet the increased demand for water supply to cities and towns in war-industry areas, the American Public Works Association said Saturday.

The State water agency will study possibilities of existing water supplies and bring about their interconnection where practicable. It is estimated that the combined capacity of the interconnected systems would be sufficient to meet all demands without construction of new facilities.

A $300,000 revolving fund has been set up to establish the authority, which is the first of its kind, according to the Association.

Allegheny County Bids Very Close

A revival of interest in the market, which has been marking time pending further developments in the Government's plan to eliminate municipal bond tax exemption, was seen Tuesday as dealers competed for a $5,800,000 isssue of Allegheny Co., Pa., bonds. The sale was marked by unusually active and close bidding, in fact, the competition was as keen as any witnessed in a long time.

Halsey, Stuart, & Co., Inc., and associates, were the successful bidders, naming a price of 100.419 and a coupon rate of 1⅞%. The bonds were reoffered at prices to yield 0.50 to 2.10% for 1943 to 1972 maturities. They were issued for the following purposes: $1,550,000 for road construction; $350,000 for an airport, $500,000 for parks, $100,000 for building improvements and $3,300,000 for uncollected taxes.

Second highest bid was submitted by a group headed by the Chase National Bank, which named a rate of 100.17 for 1⅞s. The National City Bank and Harriman Ripley & Co., and associates bid 101.209 for 2s, which is equivalent to about 100.13 for 1⅞s.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

May 7 (Today)

$4,348,000 Syracuse Hous. Auth., N. Y. (refund.)

These bonds are being issued to take up original bonds put out in February, 1940, and purchased by a group headed by Phelps, Fenn & Co. of New York.

$608,337.72 Utica, N. Y.

Last September, the city awarded bonds to Dick & Merle-Smith of New York. Second best offer was submitted by Lehman Bros. of New York, and associates.

May 19

$505,000 Albuquerque, N. Mex.

This city last sold bonds in February, 1940, the award going to Sidlo, Simons, Roberts & Co., and the J. K. Mullen Investment Co., both of Denver, jointly.

Interest exempt, in the opinion of counsel, from all present Federal Income Taxation

$5,800,000

Allegheny County, Pennsylvania

1⅞% Bonds

Due serially May 1, 1943 to 1972, inclusive

Of the $3,300,000 Uncollected Taxes Bonds, $990,000 maturing $330,000 annually May 1, 1950 to 1952, inclusive, are callable at par in inverse order of their number on May 1, 1947 or any interest payment date thereafter. All other maturities are non-callable.

Allegheny County has stated officially that it will pay or refund any tax which may be legally levied or assessed upon the bonds or upon the debt secured thereby under any present or future law of the Commonwealth of Pennsylvania.

Legal Investment, in our opinion, for Savings Banks and Trust Funds in New York and Pennsylvania

These Bonds, to be issued for various purposes, in the opinion of counsel will constitute valid and binding general obligations of Allegheny County, payable from ad valorem taxes levied against all the taxable property therein without limitation as to rate or amount.

Prices to yield 0.50% to 2.10%

These Bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Burgwin, Scully & Churchill, whose opinion will be furnished upon delivery.

HALSEY, STUART & CO. INC. BLAIR & CO., INC. LADENBURG, THALMANN & CO.
UNION SECURITIES CORPORATION HALLGARTEN & CO. SPENCER TRASK & CO.
HORNBLOWER & WEEKS BACON, STEVENSON & CO. STROUD & COMPANY INCORPORATED
GLOVER & MacGREGOR, INC. PITTSBURGH MANUFACTURERS AND TRADERS TRUST COMPANY BUFFALO
PAUL H. DAVIS & CO. CHICAGO FIRST OF MICHIGAN CORPORATION HARVEY FISK & SONS, INC.
CONTENT, HANO & CO. WALTER STOKES & COMPANY PHILADELPHIA ALFRED O'GARA & CO. CHICAGO NEWBURGER, LOEB & CO.
S. K. CUNNINGHAM & CO., INC. PITTSBURGH PHILLIPS, SCHMERTZ & CO. PITTSBURGH DOLPHIN & CO. INC. PHILADELPHIA CROUSE & COMPANY DETROIT

Dated May 1, 1942. Principal and semi-annual interest, May 1 and November 1, payable in Pittsburgh, Pa. Coupon Bonds in $1,000 denomination, registerable as to principal only. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

May 7, 1942.

DIVIDEND NOTICES

Atlas Corporation

Dividend No. 23
on 6% Preferred Stock

NOTICE IS HEREBY GIVEN that a dividend of 75¢ per share for the quarter ending May 31, 1942, has been declared on the 6% Preferred Stock of Atlas Corporation, payable June 1, 1942, to holders of such stock of record at the close of business May 14, 1942.

WALTER A. PETERSON, *Treasurer*
April 30, 1942.

Borden's
COMMON DIVIDEND
No. 129

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1942, to stockholders of record at the close of business May 15, 1942. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

THE BUCKEYE PIPE LINE COMPANY
26 Broadway
New York, April 25, 1942.

A dividend of One ($1.00) Dollar per share has been declared on the Capital Stock of this Company, payable June 15, 1942 to stockholders of record at the close of business May 29, 1942.

J. R. FAST, Secretary.

CHRYSLER DODGE Chrysler Corporation DE SOTO PLYMOUTH
YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

DIVIDEND ON
COMMON STOCK

The directors of Chrysler Corporation have declared a dividend of one dollar ($1.00) per share on the outstanding common stock, payable June 13, 1942, to stockholders of record at the close of business May 15, 1942.

B. E. HUTCHINSON
Chairman, Finance Committee

EATON MANUFACTURING COMPANY
CLEVELAND, OHIO
Dividend No. 69

The Board of Directors of Eaton Manufacturing Company has declared a dividend of Seventy-five Cents (75c.) per share on the outstanding common stock of the Company, payable May 25, 1942, to shareholders of record at the close of business May 11, 1942.

April 29, 1942
H. C. STUESSY, *Secretary*

Esso

The Board of Directors of the
STANDARD OIL COMPANY
(Incorporated in New Jersey)
has this day declared the following dividends on the capital stock, payable on June 15, 1942, to stockholders of record at close of business, three o'clock, P. M., May 15, 1942:

Regular semi-annual cash dividend of 50¢ per share; and

Extra cash dividend of 50¢ per share.

Checks will be mailed.

A. C. MINTON, Secretary
May 1, 1942

Newmont Mining Corporation
Dividend No. 55

On May 5, 1942, a dividend of 37½ cents per share was declared on the capital stock of Newmont Mining Corporation, payable June 15, 1942 to stockholders of record at the close of business May 22, 1942.

H. E. DODGE, *Secretary*.

Tucker, Anthony Anniver.

Tucker, Anthony & Co., members of the New York Stock Exchange, is celebrating the 50th anniversary of its founding by William A. Tucker and S. Reed Anthony in May, 1892, when the firm opened its first office in Boston to engage in a general brokerage business as members of the Boston Stock Exchange.

Our Reporter On "Governments"

(Continued from First Page)

One thing stands out, though: Margenthau got his money and he'll get the rest of the $2,000,000,000 he wants for this month. . . . This deal had to be a success, for the reason that the Government can't afford a failure now and buyers can't afford a failure either. . . . If banks show in any way their reluctance to support the financing of the war, the Treasury has—and will use—its authority to make investors react. . . . Again, it is suggested that you interpret the meaning of that sentence with full recognition of its importance. . . .

And that's about as much as should be said about the May financing now. . . . We'll see a refunding of the HOLC 2¼s this month too, it is believed. . . . The call of the $875,000,000 issue, maturing July 1, 1944, went out May 1, as anticipated. . . . The bonds are going to be refunded into direct Treasury obligations. . . . The call cuts the outstanding unmatured bonds of the HOLC to about $2,109,000,000, which is down $936,000,000 from the total at the end of June, 1936, when the lending period closed. . . .

OFFICIAL SUPPORT

But there are other stories in the Government market today which seem of equal or even more importance than the terms of a single borrowing. . . . And they all bear upon this current deal. . . .

After the announcement of the $4,000,000,000 financing program early last week, the Government market slipped off several 32nds. . . . On the official closing price cards, the decline seemed minor. . . . In fact, unless you were in direct contact with a bond dealer, you'd probably think the reaction was so slight as scarcely to deserve mention. . . .

But the truth of the matter is that for a while, there were no real bids in the market. . . . Dealers reported that for hours, about the only buyer around was the Federal Reserve. . . .

And that's the significant sentence—"the only buyer around." . . . For the fact is that buyer was there, ready to take offerings and it did absorb whatever liquidation occurred. . . . And the fact is the market was maintained at a level close to the prices before the giant financing program was disclosed. . . .

It may be that we won't know just how many bonds and short-terms were bought by the Federal during the pre-financing period for some weeks, for delayed deliveries and/or direct Treasury buying may hide the statistics. . . . But to guess at it, we might say the support ran to more than $50,000,000. . . .

There's considerable question in the minds of some professionals, it was learned, as to whether the Federal can—or will—maintain long-terms at a 2.50% average basis. . . . Judging from the way the Federal comes to the support of the market every time a slight need is indicated and judging from the increasing talent the authorities show in handling controlling devices, a forecast might be that the agencies in charge can—and will—do all within their power to keep the market at this level. . . . Maybe they won't be able to cut the yield while offerings are coming out at such speed, but they should be able to prevent any major decline in prices. . . .

GIVING US INFORMATION

If it's difficult to write a column of comment on Government securities more than 12 hours in advance of publication, it must be doubly hard to determine an investing policy more than an hour ahead of a new issue announcement. . . . It was only a while ago that the market and the timing and terms of financings could be analyzed calmly and comfortably. . . . Now, though, guesses on anything are next-to-impossible (if you want to approach accuracy). . . .

The Treasury and the Federal Reserve System are at fault in this. . . . Particularly the Treasury. . . . Of course, with the war budget expanding all the time (expenditures in the 1943 fiscal year are now estimated at $70,000,000,000), Secretary Morgenthau is in a bad position for predicting. . . . He doesn't know the outlook himself. . . . But it's about time the authorities gave us some hints on financing policy. . . . It's about time we received some accurate information on what to expect in the way of new issues and what to anticipate in the way of debt distribution and maturity distribution. . . .

Keeping every source—professional traders and buyers and even advisers—in the dark about financing until the last moment is not too smart an idea during this crucial time. . . . Maybe in peace years, when speculators are so important, this coy policy may help confuse the in-and-out buyers. . . . But not now. . . . It doesn't seem to be too much to request at least a general outline of policy. . . .

RESERVE REQUIREMENTS?

That action will be taken to give the banks in the largest cities additional reserves seems a probability in the near future. . . . Banks in New York City particularly are losing reserves at a terrific rate. . . . Totals for reserve cities and for nation as a whole are down to lows of 1938—when moves were made tc build up reserves, you recall. . . .

There are two ways to increase reserves now. . . . By selling bonds directly to the Federal Reserve System, the Treasury can ease the money market situation. . . . Thus, there is some feeling that part of its new authority may be used by the Treasury in the the next 60 days. . . .

Or, naturally, the objective can be reached by lowering requirements. . . . On this point, there's growing pressure on the Reserve to reclassify the member banks in New York and Chicago from Central Reserve City Banks to Reserve City Banks. . . . This would cut their requirements from 26 to 20% under current regulations. . . . And it is estimated the step would expand the excess reserves of these cities by around three-quarters of a billion dollars. . . .

Incidentally, it's probable that most of the excess reserves in the bigger cities are held by a few big banks and that the great majority of smaller banks are down to an extremely low point. . . .

The increasing gossip about this move suggests that feelers are being sent out on it—and it's probable something may be done by the Reserve Board along this line soon. . . .

INSIDE THE MARKET

More and more favor being shown for the tax-exempts. . . . As each taxable issue comes out, investors realize more clearly that the tax-exempts are getting a real scarcity value. . . .

Spreads between tax-exempts and taxables widening steadily. . . . If you hold tax-exempts, don't sell them unless you can without changing your tax liability. . . .

Long-term tax-exempt notes, though, are reported to be overpriced. . . . Especially, the ¾s of 3/15/45. . . .

When Dollars Loom Large

The dollars a man puts into life insurance have greater dimension when they return to his family as claim proceeds.

Dollars look largest when needed most.

The Prudential Insurance Company of America

Home Office, NEWARK, N. J.

Investment Trusts

(Continued from page 1767)

Keystone Custodian Fund, Series "S1"—March 31, 1942

Keystone Custodian Funds, Series "S1" in its annual report for the year ended March 31, 1942, reports net assets as of March 31, 1942 of $189,923, equivalent to $17.90 per share. This compares with net assets of $246,056 equivalent to $21.71 per share on March 31, 1941.

Income from dividends and sale of stock rights totalled $14,728 for the year. Expenses amounted to $2,378, leaving net income of $12,350.

* * *

Keystone Custodian Fund, Series "S3"—March 31, 1942

Net assets of Keystone Custodian Fund, Series "S3" at the close of the fiscal year ended March 31, 1942 totalled $349,238, equivalent to $7.18 per share. This compares with total net assets of $390.241 on March 31, 1941, equivalent to $8.07 per share.

Dividend income for the year ended March 31, 1942 totalled $27,721. Expenses amounted to $4,546, leaving net income of $23.175.

* * *

Wellington Fund, Inc.—March 31, 1942

The quarterly report of Wellington Fund, Inc. states that net resources of the company on Mar. 31, 1942 totalled $5,331,778, or $11.97 per share.

In the letter to shareholders the following statement is made regarding recent portfolio operations: "Shareholders were advised in the December report that the management had invested a substantial part of the cash reserves during the low point in December following the attack on Pearl Harbor, so that at the close of the year the uninvested cash reserves and defense bonds owned by the Fund amounted to $391,871.

"From the low point in December, the Dow Jones Industrial prices advanced from 106.34 to a high point in January of 114.22. Following this advance, and with the uncertainties still confronting our economy, your management eliminated a number of securities, so that on March 31, 1942, cash reserves and defense bonds were increased to $835,207. This action places the Fund in a position to invest at prices considerably lower than those which prevailed a few months ago."

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1765)

gumption to keep its head above the previous week's lows, it would have accomplished a noteworthy feat. So far it has managed to do just that. But one can't tell if a base was made, unless the base is tested.

* * *

As of last night most of the averages were back to the levels of about April 18, from which they previously broke down. This means that the market is in the midst of offerings. How well these will be absorbed (if, as and when) will be interesting to see. Already the shorts, who covered two weeks ago, are beginning to put out feelers.

* * *

From everything I can see, and from a lot more that I don't, I think the next wiggle will be down. It is when this down move gets started, that watching for a base will begin having more than academic interest.

* * *

Using the "Times" average as a gauge, I look for increasing upward resistance at the 67 level, then a side slip followed by a down move that ought to meet support at about the 64-65 range. A point one way or another makes little difference. My guess is that the figures will be made simultaneously with tax news from Washington. It is this news that will give the cue to whether the market will turn up, highlighting a base, or go down through it.

* * *

The war must also be taken into reckoning. By that I mean military victories or setbacks. But these are so unpredictable that, despite their paramount importance, no one has yet discovered about them before their occurrence.

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Established 1856

H. Hentz & Co.

Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges

N. Y. Cotton Exchange Bldg.
NEW YORK

BOSTON CHICAGO DETROIT
PITTSBURGH
GENEVA, SWITZERLAND

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SUGAR

Exports—Imports—Futures

DIgby 4-2727

Colombia Bonds Attractive

An interesting analysis of the current situation for Colombian bonds has been prepared by Arnhold and S. Bleichroeder, Inc., 30 Broad St., New York City. The analysis discusses the favorable development of Colombia's foreign trade, present exchange position, which the analysis declares is now satisfactory, Colombia's external debt, debt record, present status of government bonds, corporate bonds with government guarantee, and other corporate, departmental, and municipal bonds. The outlook, in view of the improvement in the economy of Colombia, which should continue provided scarcity of shipping space will not interfere too severely with the trade between Colombia and this country, would appear, according to the analysis, to provide ample basis for the service on the government debt, especially as internal debts of the government are not too high; government action in connection with bonds other than government bonds also should have an interesting effect on their value.

Copies of this analysis may be had from Arnhold and S. Bleichroeder, Inc., upon request.

Has Interesting Bank Study

Blyth & Co., Inc., 14 Wall Street, New York City, is distributing a new study showing first quarter changes in assets and deposits of 38 important banks throughout the country. The figures, including deposits-capital funds ratios, are tabulated for major financial sections as well as for institutions. Copies may be had from the firm upon request.

Macauley, Davies Partner

SAN FRANCISCO, CALIF. — Palmer C. Macauley is today being admitted to partnership in Davies & Co., Russ Building, members of the New York and San Francisco Stock Exchanges.

Robert R. Platt retired from the firm effective April 30th.

"Death (Sentence), Destruction & (Dis-) Integration"

Sometimes the story of the death sentence for utility holding companies seems to be getting downright silly.

We get this impression, for instance, from a sentence in the recent order to North American Co. by the Securities and Exchange Commission to sell everything except its big St. Louis property, the Union Electric Co., which it tried in vain to sell last month.

The Commission says, dragging its feet through the English language in its usual sticky manner:

"We have stated, and we again emphasize the fact, that, under the standards of the Act, difficulties of disposition have no bearing at all on whether any particular interest is retainable; and that such difficulties are pertinent only to the question **when** compliance with our order of divestment should be enforced. Consequently, respondents' references to adverse market conditions for the sale of securities have no relevancy **at this time.** The statute provides a year. . . . We may grant an additional year. And even at that time our orders . . . are not self-enforcing. . . ."

In English this means: "We have told you already, and why do we have to say it again, that it doesn't make any difference how hard it is to get rid of the stuff. You've got to do it just the same. It's no good saying you can't sell it now. We give you a whole year to try it. After that we might give you another year—or still another."

Now the Commission knows that on the Union Electric deal the company and the bankers were miles apart on price. And it knows that the company's lovely ideas of price were pretty much the same as the Commission's—i.e., way above the market. It also knows that right after that Mr. Morgenthau's proposal to lift the normal tax and surtax on corporate income to a total of 55% knocked utility prices still further down into the sub-cellar. And it knows that the dumping of millions of shares of stocks of disinherited affiliates of holding companies into the market would further depress utility operating stocks.

So, in effect, it seems to be passing the buck to the North American Co. by requiring it to undertake an impossible task and then come back to the Commission with bona fide proof that it could not be done. In short, the company is in fact sure to be damned by its stockholders if it actually tries to liquidate this year, and damned by the Commission if it doesn't. It all amounts to a precious legal run-around due to last for years, in which the Commission keeps all the authority, the company takes all responsibility, the Commission's face is always saved, and the company's face is always red.

So (say we) let the Commission either order the company to shed the properties, and then hurry the case to court, or else let it accept the repeated proposals of the industry that death-sentence legalities be put off for the duration.

Of course the Commission has a quick answer, and there is something to it, too. The utility people would probably hope that if the death sentence were put off for the war it would be put off for good. As the SEC says, the utilities have hoped for three miracles: first, that the Act of 1935 would be declared unconstitutional; second, that Mr. Willkie would be elected; and third, that the war would put the whole thing off.

But if putting it off "for the duration" means putting it off for good, then it had better be put off for good right now. There are plenty of good arguments for it. Utility holding systems mean lower rates. They take the place of competition in the power industry in keeping operating company executives on their toes and they fill the role, for operating companies, of directors who do not direct.

However, there is no sound reason for the Commission to suppose that, if the sentence of death to holding companies is put off for the duration it need be put off for good. Does the Commission fear that by that time it will have changed its mind? Or does it fear that by that time a new and different Administration will mean a new and different Commission? Does it therefore want to hurry and get the thing done now?

But if it wants to hurry and get the thing done now, why doesn't it do it—hurry and get it done now? There is, as Confucius might say, no time like the present. Anyone who has followed railroad reorganizations in the past 10 years knows that no time is a "good time" for capital reorganization. Perhaps the security market will go up from here, but then again perhaps it will go down. The Commission is in effect condemning utility executives and stockholders to the role of the figure on Keats's "Grecian Urn"—forever pursued, forever fleeing, or however it is phrased. Let the Commission strike, or sheath its dagger—for the duration.

But the Commission has become the fanatic—redoubling its efforts after it has lost sight of its goal. The goal is **integration,** not disintegration.

Section 30 of the Utility Act of 1935 states:

"The Commission is . . . directed to make studies . . . to determine the sizes, types, and locations of public utility companies which do or can operate most economically and efficiently . . . ; upon the basis of such . . . studies the Commission shall make public from time to time its recommendations as to the type and size of geographically and economically integrated . . . systems which . . . can best promote and harmonize the interests of the public, the investor, and the consumer."

(Continued on page 1773)

. . . an unbroken dividend record for fifty-six years

THE UNITED GAS IMPROVEMENT COMPANY

UGI

COLUMBIA GAS & ELECTRIC
CORPORATION

COLUMBIA SYSTEM

Principal Operating Companies

BINGHAMTON GAS WORKS
THE CINCINNATI GAS & ELECTRIC COMPANY
THE DAYTON POWER AND LIGHT COMPANY
THE MANUFACTURERS LIGHT AND HEAT COMPANY
NATURAL GAS COMPANY OF WEST VIRGINIA
THE OHIO FUEL GAS COMPANY
THE UNION LIGHT, HEAT AND POWER COMPANY
UNITED FUEL GAS COMPANY

Bureaucracy-As-Usual

A recent best-seller, "Flight from Arras," relates how the machinery of French government administration continued to grind on, in its habitual grooves, oblivious of the war, until the world collapsed about it. Examples of the same thing—devotion to paper work and legalism—in our own government machinery at Washington were spelled out by OEM's idea-man, Wayne Coy, in the April issue of the "Atlantic Monthly."

Since then two notorious and striking instances of this "bureaucracy as usual" have appeared in Washington to the annoyance and indignation of American business. They are first the obvious effort of the Anti-Trust Division of the Department of Justice to continue its mammoth anti-trust prosecutions come hell and high water, and second the similar intention of the Securities and Exchange Commission, made all too clear in its recently published annual report, to do the same thing with its death-sentence sling-shot.

In both cases the evil in this pig-headed persistence in destructive efforts does not lie in the actual destruction likely to be accomplished. Neither anti-trust nor the SEC are in line to accomplish anything, destructive or constructive, by their efforts. The staff of the former, whose legal incompetence was indicated in their goose-egg score of losing on 140 counts out of 140 against the Aluminum Corp., are skilled only at trying their cases in the newspapers and at winning consent decrees from big corporations by a sort of refined blackmail and, even if they did win in the courts, they could only obtain punishment for actions long since discontinued. The SEC, likewise, cannot possibly hope by its persistence in handing down death-sentence orders, to actually force their execution, for the reason which must be obvious even to SEC Commissioners, that the securities markets will not now bear the weight of death-sentence system disintegrations and capital-structure simplifications. The fiascos of the effort to market Union Electric Power, and of National Power & Light's exchange offer to the Houston Light & Power stockholders, have made that obvious to the veriest tyro in the securities business.

No, the trouble does not lie in the destruction these scalpel-wielding bureaucrats are likely to achieve. It lies in the distraction from useful labor which their annoying persistence imposes upon the managements of American business. Industrial executives must knock off work, whatever it is, to defend themselves and their corporations from criminal charges. Utility executives are perhaps not appreciative enough of the fact that their position is not quite

(Continued on page 1775)

Forms H. E. Hoffman Co.

Horace E. Hoffman is now engaging in a securities business under the firm name of H. E. Hoffman Company, 52 William Street, New York City. Mr. Hoffman was previously a partner in Hoffman & Neacy.

Bergen Named Chairman

John J. Bergen, of John J. Bergen & Co., Ltd., 40 Wall Street, New York City, has been elected chairman of the executive committee of Gar Wood Industries, Inc.

"Carrying lots of pressure these days..."

0
20
40
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120
140
160
180
200

"There is more steam up in the Bell System than I ever remember. The wires hum with war and wartime production. There's more telephoning than ever before.

"The pressure of war and war's work is on — especially on our toll lines. If you are going to use Long Distance you can help by —

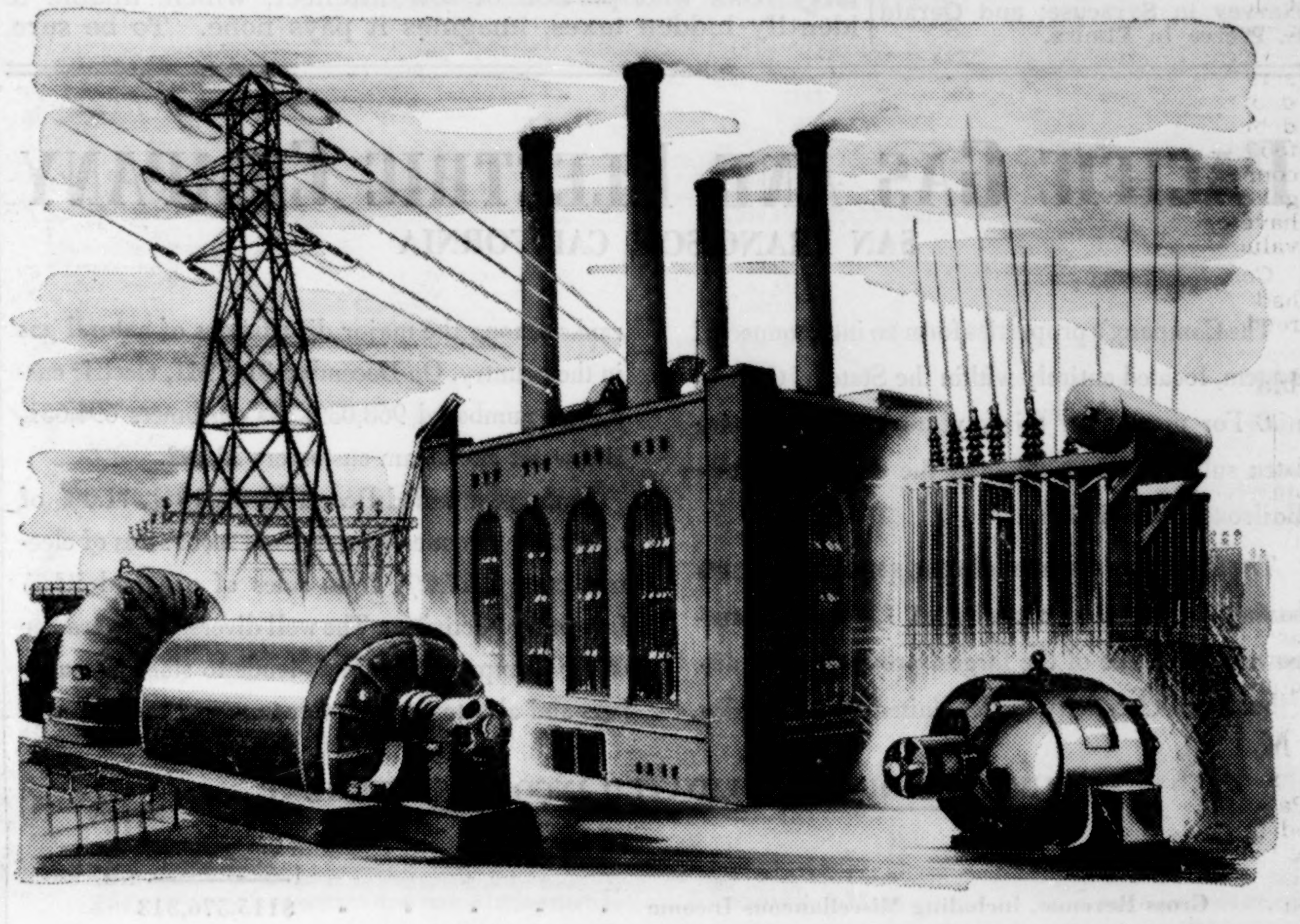
Knowing the number you want to call.

Calling in the less busy hours—before 10 A.M. and after 8 P.M., for example.

"Let's give vital war calls the right of way and make equipment go as far as possible, saving copper and other materials for the war."

BELL TELEPHONE SYSTEM

"The Telephone Hour"—presenting great artists every Monday evening —N. B. C. Red Network



MORE POWER FOR VICTORY!

Electric power is a prime requisite for prosecuting the war as well as for our daily living.

While the war has greatly increased service demands upon the Long Island Lighting Company and its subsidiaries, foresight and planning have made available 50,000 additional kilowatts of capacity for the needs of Long Island's defense industries and homes.

How much power is this? Well, a kilowatt has the working strength of 14 strong men, so actually this *additional* power will do the work of 700,000 men. This new equipment was ordered more than a year ago and since then the company's engineers and other specialists have worked long hours designing it and supervising its installation.

Right now, when we need it most, this equipment is completed and in operation. Millions of kilowatt hours are pouring out for Long Island's war industries—*additional vital* power beyond that needed for all normal household, street lighting and commercial uses.

This is part of our responsibility as a public service company . . . to build ahead of the growing requirements of our customers and to meet emergency demands quickly and efficiently.

Long Island Lighting Company

Queens Borough Gas & Electric Company
Kings County Lighting Company
Nassau & Suffolk Lighting Company
Long Beach Gas Company, Inc.

Swart Staff With Craigmyle Rogers

Craigmyle, Rogers & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, announce that the personnel of R. E. Swart & Co., Inc. which discontinued its investment business on April 30, 1942, has become associated with them. This action is designed to continue uninterrupted the service to all the R. E. Swart & Co., Inc. clients. George E. Deming, Irwin B. Kranz, Wylie W. Macer, N. Irving Maxfield, Olin R. Stoll and Frederick D. Vought will join the New York office of Craigmyle, Rogers & Co.; M. Peirce Cook and Horace C. Moffet will be associated with them in Pittsburgh; Hamilton B. Harvey in Syracuse; and Gerald L. Pierce in Elmira.

The Myth Of Excess Profits In The Electric Utility Field

(Continued from First Page)

and light service, made no excess profits. Yet, in the great need for revenue for the prosecution of this war, both the Treasury Department and the Congress seemingly have chosen to close their eyes to the obvious.

Vastly expanded revenue, of course, is essential to the successful conduct of this war, but the continued and ever-increasing production of vital material is even more necessary. And because the residential consumption of electricity has steadily increased not only through war years but through preceding depression years as well, Federal tax gatherers have seized upon its sale as a vehicle for the plucking of additional taxes from the American public; particularly from that portion of low intellect, which, unable to identify hidden taxes, imagines it pays none. To be sure, the present Administration, alone, has not made a tax dupe of electric utilities; that has been in the process of development for several decades. But it greatly has expanded the use of privately owned utility systems as tax gathering agencies.

For instance, despite the collapse of quoted security values in the fall of that year, most of us look upon 1929 as the banner year, profit-wise, since the turn of the century. To what extent have governmental imposts in this field of public service increased since then? Between 1929 and 1941 the gross revenues of our privately owned power companies have increased 36.2%; the combined gross corporate income before taxes has increased 24.1%, and the aggregate amount exacted from them by governments—Federal, State and local—has increased 192%. In other words, the total tax bill of our electric utilities has increased five and a third times faster between 1929 and 1941 than their gross operating revenues, and eight times faster than their aggregate gross corporate income, before taxes.

To shorten the comparative period a bit, while the gross operating revenues of privately owned electric utilities increased 30.7% between 1930 and 1941, and combined operating, maintenance and depreciation costs increased 8.7%, their tax liabilities increased an even 100%. As a result, only 30 cents per dollar of operating revenues was available in 1941 for the hire of capital and for plant expansion, compared with 44 cents in 1930. That's a decrease of approximately 46.7%.

And when the comparative period is limited to the last two years, the effect of Federal exactions becomes even more apparent. In the aggregate, Federal, State and local governmental impositions in 1941 were 26.4% in excess of those of the preceding year. But when that tax bill is taken apart, it becomes evident that State and local exactions, to only a minor extent, were responsible for this expanded tax bill. For Federal exactions in 1941 were 54.7% greater than those of 1940, compared with a mere 1.4% boost in State and local imposts. Moreover, when the Federal tax bill of electric utilities is dissected, it develops that while the general normal income and surtax liability increased some 29.5% in 1941 over 1940, their excess profit taxes increased roughly 650%. This, of course, was wholly an indecent and improper exaction.

When Secretary of the Treasury Morgenthau appeared on March 3 before the House Ways and Means Committee to plead for higher corporate taxes, he said, among other things:

> "A substantial share of the increased corporation tax should fall on excess profits. Taxes paid from such profits have less disrupting effect on business than taxes which are generally applicable to all corporate earnings irrespective of the rate of return. A tax which absorbs excess profits still leaves the corporate taxpayer with a sufficient margin of income for dividends and safety."

But, as President Justin R. Whiting of The Commonwealth & Southern Corporation pointed out in his statement filed with the House Ways and Means Committee.

> "The principles of taxation outlined in the Secretary's statement are excellent. The proposals accompanying such statements, however, are in direct conflict with such principles."

Particularly is this true when electric utilities are compared with other types of private enterprise. As the National City Bank and the National Industrial Conference Board have pointed out in respective publications, the net income of electric utilities, due almost entirely to increased Federal exactions, was some 3.3% lower in 1941 than in 1940. But the 1941 net income of all non-regulated business in the United States was roughly 20% higher than in the preceding year, despite Federal seizure through excess profit taxes of a vastly expanded proportion of gross earnings. The major reasons for this divergence in net earning patterns between regulated and non-regulated business should be apparent to Treasury officials and members of Congress.

There are certain types of expenses incurred in the operation of an electric utility over which its management has some degree of control. Among these are the costs of fuel, materials and supplies, and the hire of operating and administrative personnel. But with experienced utility executives de trop in regulatory circles, and with acquaintance with utility problems held prima facia evidence of prejudice in their favor, electric utility managements have not the slightest degree of control over the tax burdens heaped upon them. In this connection, it is worth noting that municipally and governmentlly owned electric utility undertakings are exempted from all Federal taxation, on the theory that they must supply the public with an essential service as cheaply as possible, while privately owned electric utilities are dunked in taxation up to their eyebrows. It's small wonder that the late Alex Dow said, in a recent annual report of Detroit Edison Company, after a recital of all the taxes his company had collected, directly or indirectly from its customers, "We also sell electricity."

If the Congress of the United States, elected in theory, at least, to represent the owners of electric utility common

PACIFIC GAS AND ELECTRIC COMPANY

SAN FRANCISCO, CALIFORNIA

The Company's properties form an interconnected system, located entirely within the State of California. For more than thirty years operations have been subject to regulation by the California State Railroad Commission.

The Company operates electric generating plants having an installed capacity of 1,892,849 horsepower and is one of the largest producers and distributors of electricity in the United States. It also ranks among the major distributors of natural gas in the country. On December 31, 1941, electric customers numbered 968,039, gas customers 694,631, and water and steam customers 12,792.

In the year ended December 31, 1941, 71.3% of operating revenues were derived from sales of electric energy, 27.6% from sales of gas, and 1.1% from minor activities. The well diversified character of the Company's business tends to stabilize earnings and also to permit of economical operation.

SUMMARY OF CONSOLIDATED INCOME STATEMENT

	Year 1941
Gross Revenue, including Miscellaneous Income	**$115,576,313**
Operating Expenses, Taxes (except Federal income taxes) and Provision for Depreciation, Insurance, Casualties, Uncollectible Accounts and Pensions	**70,311,239**
Gross Income	**$ 45,265,074**
Bond and Other Interest, Discount and Other Income Deductions	**12,009,707**
Net Income before Provision for Federal Income Tax	**$ 33,255,367**
Provision for Federal Income Tax	**10,791,730**
Net Income to Surplus	**$ 22,463,637**
Dividends of Subsidiaries on Capital Stocks held by Public, etc.	**2,070**
Remainder—Applicable to Pacific Gas and Electric Company	**$ 22,461,567**
Dividends on Preferred Stock	**7,970,439**
Remainder—Applicable to Common Stock	**$ 14,491,128**
Number of Full Shares of Common Stock outstanding at end of period	**6,261,274**
Earned per Share of Common Stock	**$2.30**

RECORD OF RECENT GROWTH

Year Ended Dec. 31	Gross Operating Revenue	Sales of Electricity K.W.H.	Sales of Gas Cubic Feet	Number of Stockholders
1937	100,443,116	3,935,803,000	59,531,331,000	92,704
1938	101,424,595	3,906,866,000	62,477,013,000	95,985
1939	107,175,353	4,409,568,000	69,934,787,000	95,784
1940	109,980,302	4,671,953,000	77,283,044,000	96,122
1941	115,353,944	5,067,026,000	89,430,294,000	103,898

BOARD OF DIRECTORS

James B. Black, *San Francisco*
Allen L. Chickering, *San Francisco*
John P. Coghlan, *San Francisco*
W. W. Crocker, *San Francisco*
P. M. Downing, *San Francisco*
James F. Fogarty, *New York*
D. H. Foote, *San Francisco*
Herbert C. Freeman, *New York*
Norman B. Livermore, *San Francisco*
Chas. K. McIntosh, *San Francisco*
John D. McKee, *San Francisco*
C. O. G. Miller, *San Francisco*
Henry D. Nichols, *San Francisco*
Silas H. Palmer, *San Francisco*
A. Emory Wishon, *San Francisco*

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stocks as well as public ownership advocates, wants to "shoot straight pool," it should recognize that the contracts covering rates these service institutions have made with the public preclude any possibility of their making excess profits, and exempt them from that portion of Federal tax regulation.

There are two major reasons for this:

1.—The great proportion of increased electric output consumed in the past two years has been utilized by industrial concerns engaged in the production of vital war material. Moreover, this expanded use of electricity largely has fallen within the lowest price bracket, in which little opportunity for profits is possible, although it swells gross revenues; and

2.—Privately owned electric utilities, regulated as they are by Federal, State and local governments, have no excess profits to tax.

More than a hundred and fifty years ago—on April 19, 1774, to be exact—Edmund Burke, the famed Irish statesman, said to the British Parliament, in the course of a speech on taxation of the American colonies:

> "Taxing is an easy business. Any projector can contrive new impositions, and any bungler can add to the old. But is it altogether wise to have no other bounds to your impositions than the patience of those who are to bear them?"

Treasury officials and members of Congress profitably might ponder that question.

"Death (Sentence), Destruction & (Dis-) Integration"

(Continued from page 1770)

In May, 1935, Senator Wheeler said the bill expressly directed the SEC and the Federal Power Commission to make a study of rearrangement possibilities to aid such rearrangement on a voluntary basis during the next five years. In September, after the bill was passed, SEC Chairman Landis said that Congress had given the Commission two years to draw up a plan for economic and geographic integration.

And Professor Leslie T. Fournier, one of the SEC's prize idea-men, had the interesting conceit (before he went to work for the Commission) that "there is no basis for the fear that Section 11 will jeopardize the interest of investors nor for the belief that the Commission will initiate a wholesale program of compulsory disintegration of holding company systems in 1938, since the Commission does not have to take the initiative until it is practical to do so. A reasonable expectation is that the companies will be given ample opportunity for voluntary compliance. In the meantime the Commission can direct its staff to make the engineering and financial studies called for by Section 11 (a) and 30, which will provide it with the necessary data for positive action should it be necessary finally to resort to compulsion . . . ." (XIII Journal of Land and Public Utility Economics, pp. 138-152, 1937.)

But the Commission has no plan. It asked the companies to sit around the table and work out a plan, some years ago, but they stayed away, still hoping for the miracle that never happened. So now the Commission is asking Commonwealth & Southern to streamline its capital structure without knowing whether it will have to shed Consumers', Georgia, Alabama, or Mississippi Power, or all, or any. Wendell Willkie used to pound the table and say: "I asked them whether they would allow our Southern companies to stay together in the same system or not. They wouldn't say." And they have not said since. It is a mystery. Does the Commission know or not?

But there is no mystery as to whether the three companies **should** be kept in the same system. The program of war-time industrial development in the South makes it imperative. But when the Commission keeps mum about its intentions the folks over at 20 Pine Street sweat; and if the Commission said "Break 'em up," the boys at 20 Pine Street would scream to high heaven and probably also to Donald Nelson. So the Commission says nothing, hiding behind some legal twist too involved for a financial writer to understand, and Commonwealth & Southern cannot smoke it out. Does this threesome of operating companies produce too much power? Consolidated Edison produces more. Does it have too many hydro dams? TVA has more. Is it too far-flung? The Bureau of Reclamation is farther-flung. Does it have too much political power? The SEC has more.

Anent that Section 30 requirement that the Commission have a plan, it was curious how for some years the Commissioners used to object to the phrase "death sentence." "This isn't disintegration," they would say, "it is re-integration." But they don't say that any more.

However, it is certain that they have read Section 30. For it was there that they received the authorization which led to the Investment Trust Act of 1940. They acted on that quickly enough, for it gave them power. The part they neglected only gave them responsibility.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Robert L. Gill to James N. Wallace will be considered by the Exchange on May 14th.

Transfer of the Exchange membership of Waters S. Davis, Jr. to Julius Klorfein will be considered on May 14th.

Transfer to Stuart Logan of the Exchange membership of William J. Warburton will be considered by the Exchange on May 14th.

Willard D. Litt, general partner in W. R. K. Taylor & Co., New York City, became a limited partner effective May 1st.

John F. Fennelly, Chicago, withdrew from partnership in Glore, Forgan & Co., New York City, effective January 26th.

Philip D. Laird retired from partnership in Laird & Co., Wilmington, Del., as of April 30th.

Percy Owen, Jr., member of the New York Stock Exchange, has retired from partnership in S. R. Livingstone & Co., Detroit, Mich., as of April 30th; S. R. Livingstone & Co. as of that date ceasing to be a New York Exchange member.

Charles Tifft withdrew from partnership in Tifft Brothers, Springfield, Mass. as of April 30th.

DeCoppet & Berdan, New York City, dissolved as of April 30th.

Grant Keehn & Co., New York City, dissolved partnership, on April 30th.

Russell E. Gardner, Jr. has resigned as a member of the Board of Governors of the Stock Exchange.

PUBLIC SERVICE CORPORATION OF NEW JERSEY

and Subsidiary Companies

Combined Results of Operations

For the Twelve Months Ended December 31—	1941		1940	
SUBSIDIARY COMPANIES—				
Operating Revenues:				
Electric Operations	$ 88,160,612.61		$ 80,857,668.27	
Gas Operations	32,119,125.52		31,149,541.89	
Street Transportation Operations	29,882,976.42		27,312,628.48	
Ferry Operations	996,219.42	$151,158,933.97	1,007,412.67	$140,327,251.31
Operating Revenue Deductions:				
Operating Expenses	$ 56,446,762.42		$ 53,041,613.13	
Maintenance	11,919,751.53		11,469,444.48	
Depreciation and Retirement Expenses	12,320,160.15		11,314,367.84	
Total	$ 80,686,674.10		$ 75,825,425.45	
Federal Income Taxes	$ 11,338,399.45		$ 9,368,302.15	
Federal Excess Profits Taxes	4,425,203.06			
Other Taxes	18,638,957.54		17,323,740.82	
Total Taxes	$ 34,402,560.05		$ 26,692,042.97	
Total Operating Revenue Deductions		115,089,234.15		102,517,468.42
Operating Income		$ 36,069,699.82		$ 37,809,782.89
Other Revenue	$ 246,827.37		$ 28,706.64	
Other Revenue Deductions:				
Expenses	$ 973.33		$ 2,300.27	
Federal Income Taxes	$ 19,481.25		$ 24,650.80	
Federal Excess Profits Taxes	1,869.73			
Other Taxes	16,202.64		17,221.12	
Total Taxes	$ 37,553.62		$ 41,871.92	
Total Other Revenue Deductions	$ 38,526.95		$ 44,172.19	
Total Other Income		208,300.42		(Debit) 15,465.55
Gross Income		$ 36,278,000.24		$ 37,794,317.34
Deductions:				
Income Deductions:				
Interest on Long-Term Debt	$ 8,077,667.93		$ 7,899,832.39	
Amortization of Discount and Miscellaneous Deductions	828,803.66		743,243.97	
Appropriations for Reserves and Special Amortization	2,100,000.00	11,006,471.59	500,000.00	9,143,076.36
		$ 25,271,528.65		$ 28,651,240.98
Dividends paid to the public:				
Public Service Electric and Gas Company:				
7% Cumulative Preferred Stock	$ 1,113.00		$ 1,113.00	
$5 Cumulative Preferred Stock	1,500,000.00		1,500,000.00	
Common Stock	18.02		15.40	
Lessor Companies	2,790.67	1,503,921.69	156,126.64	1,657,255.04
Balance applicable to securities owned by Public Service Corporation of New Jersey		$ 23,767,606.96		$ 26,993,985.94
PUBLIC SERVICE CORPORATION OF NEW JERSEY AND SUBSIDIARY COMPANIES CONSOLIDATED—				
Income of Public Service Corporation of New Jersey (exclusive of interest and dividends from subsidiary cos.):				
Interest on United States of America Treasury Bonds and Notes, and income from real estate owned and from other investments		169,454.36		87,941.18
		$ 23,937,061.32		$ 27,081,927.12
Expenses and Taxes of Public Service Corporation of N. J.:				
Expenses	$ 461,290.87		$ 483,232.63	
Depreciation	1,200.00		1,200.00	
Total	$ 462,490.87		$ 484,432.63	
Federal Income Taxes	$ 1,030,282.39		$ 1,083,860.92	
Federal Excess Profits Taxes				
Other Taxes	284,879.30		226,972.19	
Total Taxes	$ 1,315,161.69		$ 1,310,833.11	
Total Expenses and Taxes of Public Service Corporation of New Jersey		1,777,652.56		1,795,265.74
		$ 22,159,408.76		$ 25,286,661.38
Income Deductions of Public Service Corporation of N. J.:				
Interest on Perpetual Interest-Bearing Certificates	$ 1,091,736.60		$ 1,091,736.60	
Provision for Depreciation of Investments	*		1,000,000.00	
Miscellaneous Interest and Other Deductions	5,289.37	1,097,025.97	6,500.00	2,098,236.60
Consolidated Net Income after deduction of dividends on capital stocks of subsidiary cos. held by the public		$ 21,062,382.79		$ 23,188,424.78
Dividends on Preferred Stocks of Public Service Corporation of New Jersey:				
8% Cumulative Preferred Stock	$ 1,715,944.00		$ 1,715,944.00	
7% Cumulative Preferred Stock	2,023,560.00		2,023,560.00	
6% Cumulative Preferred Stock	3,523,872.00		3,523,872.00	
$5 Cumulative Preferred Stock	2,587,560.00	9,850,936.00	2,587,560.00	9,850,936.00
		$ 11,211,446.79		$ 13,337,488.78
Dividends on Common Stock of Public Service Corporation of New Jersey		10,731,226.35		13,207,663.20
Balance transferred to Consolidated Surplus		$ 480,220.44		$ 129,825.58

*See appropriations made by Subsidiary Companies, shown above.

NOTES—Under the Uniform Systems of Accounts certain revenues from interdepartmental electric and gas sales aggregating approximately $350,000 per annum are included in operating revenues. Also certain intercompany revenues aggregating approximately $275,000 per annum, which cannot readily be eliminated, are included in the consolidated operating revenues.

The Consolidated Statements of Public Service Corporation of New Jersey and Subsidiary Companies include the accounts of the following companies:

Public Service Corporation of New Jersey.

Subsidiary Companies in which Public Service Corporation of New Jersey owns, directly or indirectly, more than 50% of the voting power, as follows: Public Service Electric and Gas Company, Atlantic City Gas Company, County Gas Company, Peoples Gas Company, Public Service Coordinated Transport, Public Service Interstate Transportation Company, The Riverside and Fort Lee Ferry Company, Yellow Cab, Inc., The Holland Company and Newark Plank Road Company.

Subsidiary Companies (including lessor companies) liquidated or merged into certain of the above companies during 1940 and 1941.

Calendar of New Security Flotations

OFFERINGS

LIPE-ROLLWAY CORP.

Lipe-Rollway Corp. filed a registration statement with the SEC for 80,000 shares $1 cumulative convertible preferred stock, $10 par, and 160,000 shares class A stock, $1 par, latter reserved for issue upon conversion of the preferred stock

Address—208 S. Gedded St., Syracuse. N. Y.

Business—Incorporated in 1924 as W. C. Lipe, Inc., on March 16, 1942, the name was changed to Lipe-Rollway Corp. Part of the proceeds of this financing is intended to be used for acquisition by the company of all or at least a majority of the outstanding stock of Rollway Bearing Co., Inc., of Syracuse, N. Y. Business of the company, including that of Rollway Bearing Co., Inc., includes the manufacture and sale of machine tools, reamers, cutters, clutches, clutch parts, bearings, etc.

Underwriter—Barrett Herrick & Co., Inc., New York, is the sole underwriter

Offering—The preferred stock will be offered to the public at $14 per share; the underwriting commission is $2.10 per share

Proceeds will be used in part to acquire all or as many shares as possible of the outstanding capital stock of Rollway Bearing Co., Inc., the balance will be used for additional working capital

Registration Statement No. 2-4971. Form A-2. (3-23-42)

Registration effective 11:30 a.m. E.W.T. on April 25, 1942, as of 5:30 p.m. E.W.T. April 13, 1942

Offered April 30, 1942, at $14 per share

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, MAY 9

STANDARD AIRCRAFT PRODUCTS, INC.

Standard Aircraft Products, Inc., filed a registration statement with the SEC covering $300,000 5½% convertible serial and sinking fund debentures, due 1943-1947

Address—Dayton, Ohio

Business—Company manufactures and develops aircraft products, etc.

Offering—The 1943 maturity ($48,105) will be offered to the public at 100. The other maturities will be offered in exchange for 33,586 shares ($7.50 par) 40 cents cumulative preferred stock on a par for par basis as follows: debentures maturing 1944, $62,000; debentures maturing 1945, $62,000; debentures maturing 1946, $62,000; and debentures maturing 1947, $65,895

Underwriting—The debentures aggregating $251,895 may be sold through underwriter at 100. R. N. Webster, President, has agreed to sell through underwriter the $190,537 debentures he has agreed to exchange for his 25,405 shares of preferred stock. G. Brashears & Co. is named principal underwriter. R. N. Webster may be an underwriter

Proceeds of $48,105 (1943 maturity) will be used for working capital

Registration Statement No. 2-4988. Form A-1. (Filed in San Francisco 4-20-42)

TUESDAY, MAY 12

HUNTER MANUFACTURING CO.

Hunter Manufacturing Co. filed registration statement with the SEC for 109,560 shares of common stock, of 25 cents par value

Address—Croydon, Pa.

Business—During two years ended Sept. 30, 1940, operations of company consisted of the manufacture and sale of Rex railroad signal lights and the manufacture and sale, on an experimental basis, of munitions. Since that date, the company has been primarily engaged in the munitions business

Underwriters—Nelson Douglass & Co., Los Angeles, Cal., and Barrett Herrick & Co., Inc., New York, each have agreed to underwrite 46,500 shares of the common stock registered, or a total of 93,000 shares

Offering—The 109,560 shares registered will be offered to the public at $4 per share; the underwriting commission is 80 cents per share. 93,000 shares are unissued and are to be offered to the public for the account of the company; the remaining 16,560 shares registered are to be purchased by the underwriters, under purchase option, from certain stockholders, and will be publicly offered

Proceeds will be used to purchase or redeem all the outstanding 36,000 shares of 6% cumulative preferred stock, $5 par value, and for other corporate purposes

Registration Statement No. 2-4990. Form S-2. (4-23-42)

MUTUAL INVESTMENT FUND, INC.

Mutual Investment Fund, Inc., filed registration statement with the SEC for 50,000 shares common stock, of $1 par value each

Address—15 Exchange Place, Jersey City, N. J.

Business—Company is an open-end investment company of the diversified management type, and is qualified to do business in States of Maryland and New Jersey

Underwriter—Mutual Management Co.

Offering—The common stock will be offered to the public at the market at the time of the offering (at present, approximately $7.35 per share)

Proceeds will be used for investment purposes

Registration Statement No. 2-4989. Form A-1. (4-23-42)

MONDAY, MAY 18

NATIONAL DISTILLERS PRODUCTS CORP.

National Distillers Products Corp. filed registration statement with SEC for $15,000,000 7-year sinking fund debentures, due March 1, 1949. Interest rate will be supplied by amendment

Address—120 Brodway, New York City

Business—Company is chiefly engaged, directly or through subsidiaries, in the distillation, storage and sale of various types of American whiskies, including "Old Grand-Dad," "Old Taylor," "Old Overholt," "Mount Vernon," "Crab Orchard," etc.

Underwriting—Glore, Forgan & Co. and Harriman Ripley & Co., Inc., both of New York City, are named principal underwriters. Names of the other underwriters will be supplied by amendment.

Offering—The debentures will be offered publicly, at a price to be supplied by amendment

Proceeds to the extent of $11,000,000 will be used to repay presently outstanding bank loans of company, and the balance will be used for general corporate purposes

Registration Statement No. 2-4991. Form A-2. (4-29-42)

TUESDAY, MAY 19

CALIFORNIA UNION INSURANCE CO.

California Union Insurance Co. filed a registration statement with the SEC for 29,659 shares common stock, $10 par value

Address—San Francisco, Calif.

Business—Engaged in the underwriting of fire, automobile and other forms of insurance

Underwriting—Paul H. Watson is named principal underwriter; Don B. Wentworth may be an underwriter

Offering—The common stock registered will be offered to the public at a price of $22 per share

Proceeds will be used for additions to capital and surplus

Registration Statement No. 2-4992. Form A-1 (4-30-42 San Francisco)

DESPINA GOLD MINES, LTD.

Despina Gold Mines, Ltd., **refiled** a registration statement with the SEC for 1,030,000 shares common stock, $1 par

Address—Montreal, Quebec, Canada

Business—Company is engaged in the gold mining business

Underwriting—Underwriter is Canadian Securities Distributors

Offering—The 1,030,000 shares of common stock will be offered to the public at 35 cents per share; 1,000,000 shares will be offered for the account of the company, and the remaining 30,000 shares for the account of a selling stockholder

Proceeds to company will be used for working capital purposes

Registration Statement No. 2-4636, refiled with SEC 4-30-42

WEDNESDAY, MAY 20

THE DELAWARE & HUDSON CO.

Committee for first and refunding mortgage 4% bonds, due May 1, 1943, of the company, filed a registration statement with the SEC for certificates of deposit to be issued for first and refunding mortgage 4s, due May 1, 1943, of the company

Address of Company—New York, N. Y.

Composition of Committee—Members of the committee calling for deposit of the bonds, are: Charles True Adams, Chairman; Howard Elliott, Jr., Vice-Chairman; Allen K. Brehm; James J. Minot; H. Duncan Wood. Secretary for committee: Douglas G. Wagner, 40 Exchange Place, New York City. Depository: Continental Bank & Trust Co., New York, N. Y.

Terms of Issue—The certificates of deposit are to be issued by the committee for deposit of the outstanding first and refunding mortgage 4% bonds, due May 1, 1943, of the company, under a deposit agreement dated April 15, 1942. There are $49,890,000 principal amount of such bonds outstanding, of which $5,000,000 principal amount are to be called initially by the committtee. Committe states that the deposit of the bonds is desired in order that concerted action on the part of the holders may be obtained, in view of the approaching maturity of the bonds, with the view, if possible, of formulating a plan for meeting the maturity of the bonds

Registration Statement No. 2-4993. Form D-1 (5-1-42)

SUNDAY, MAY 24

PHILIP MORRIS & CO., LTD., INC.

Philip Morris & Co., Ltd., Inc., filed a registration statement with the SEC for 49,666 shares of cumulative preferred stock, $100 par value (dividend rate to be furnished by amendment), and 893,988 rights, latter to be issued in connection with issue of subscription warrants evidencing rights to subscribe for the 49,666 shares of preferred stock

Address—New York, N. Y.

Business—Engaged in manufacture and sale of cigarettes and smoking tobaccos, principally "Philip Morris," "Paul Jones," "Marlboro" and "English Ovals" cigarettes

Offering—The 49,666 shares of preferred stock will be offered for subscription to common stockholders of company, on the basis of one share of preferred stock for each 18 shares of common stock held. The subscription price per share, the stock of record date, and the expiration date of subscription offer, will be furnished by amendment

Underwriting—Such of the 49,666 shares as are not issued under the subscription offer, will be sold to the public by underwriters, at a price to be supplied by amendment. Principal underwriters are Lehman Brothers and Glore, Forgan & Co., both of New York, N. Y. The names of the other underwriters will be furnished by amendment

Proceeds will be used to reduce outstanding bank loans

Public Sale of New 3% Debentures also Proposed—In the registration statement summarized above, the company stated that its board of directors intend to authorize the sale of 20-year 3% debentures, due May 1, 1962, in an aggregate amount not to exceed the difference between $11,500,000 and an amount equal to the aggregate par value of the shares of new preferred stock which presently are proposed to be sold by the company. The company states that this new issue of debentures is proposed to be sold shortly after the expiration of the rights to purchase the new preferred stock, following the filing of a registration statement with the SEC covering such debentures

Net proceeds to the company from sale of such debentures would be used to pay the unpaid balance of the company's bank loans, and the balance would be added to working capital

Registration Statement No. 2-4994. Form A-2. (5-5-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg. Atlanta, Ga.

Business—Manufacturing and distributing bakery products in southern states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendment filed May 1, 1942, to defer effective date

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

Amendment filed May 4, 1942, to defer effective date

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

Amendment filed April 18, 1942, to defer effective date

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2 (4-10-41)

Amendment filed May 5, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956, and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed April 17, 1942, to defer effective date

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business—Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment to defer effective date filed April 27, 1942

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendment filed May 2, 1942, to defer effective date

HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares 4½% cumulative convertible preferred stock, $40 par; and 105,000 shares common stock, no par, the latter reserved for conversion of the preferred stock

Address—60 Boston St., Salem, Mass.

Business—Engaged in manufacture and sale of electric incandeseent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures, and other electronic products and certain chemical products directly or indirectly related to the foregoing. Regular and special products, to a large and increasing extent, are being supplied to the military services and for other war uses

Underwriters of the preferred stock, and the number of shares which each has agreed to underwrite, are as follows:

Jackson & Curtis, Boston	14,000
Lee Higginson Corp., Boston	10,000
Estabrook & Co., Boston	7,500
Merrill Lynch, Pierce, Fenner & Beane, New York	7,400
Putnam & Co., Hartford, Conn.	2,000
Hale, Waters & Co., Inc., Boston	1,600
Graham, Parsons & Co., New York	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share

Proceeds will be used for additional working capital

Registration Statement No. 2-4974. Form A2 (3-30-42)

Amendment filed May 2, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO.

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Illinois Commercial Telephone Co. on March 19, 1942, filed an amendment to its registration statement disclosing that it now proposes to offer to the public $5,750,000 first mortgage 3½% bonds, due March 1, 1972. Previously, in original registration statement filed on Oct. 24, 1941, company had proposed to sell $5,750,000 of first mortgage 3⅜% bonds, due 1971, and 24,000 shares of $5 cumulative preferred stock, no par value

Proceeds from sale of the $5,750,000 of first mortgage 3½% bonds, due 1972, together with other funds of the company, are to be used to retire the outstanding $5,750,000 of first mortgage series A 3¾% bonds, due 1970

Underwriters of the 3½s of 1972, and the principal amount which each has agreed to underwrite, are: Bonbright & Co., New York, $2,875,000; Paine, Webber & Co., New York, $2,156,000; Mitchum, Tully & Co., Los Angeles, Cal., $719,000

Withdrawal request filed May 4, 1942

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed April 21, 1942, to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed **registration statement with SEC for 25,000 shares common stock, voting, $10 par value**

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2 (12-6-41)

Withdrawal request filed May 4, 1942

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is the principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

Amendment filed April 17, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed April 27, 1942, to defer effective date

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. on April 29, 1942, filed amendment registration statement, disclosing that it now proposes to sell, under the competitive bidding rule of Holding Company Act, $26,000,000 of first mortgage 3¾% bonds, due Feb. 1, 1972, and $10,500,000 of sinking fund debentures, due May 1, 1957; debentures are to bear interest at not exceeding 5% per annum, with specific interest rate to be supplied by later amendment.

Previously, in its original registration statement filed with SEC Dec. 13, 1941, company then proposed to sell $22,800,000 first mortgage 3½s, due 1971, $5,700,000 2½% to 3½% serial notes, due Dec. 1, 1951, 70,000 shares 5¼% cumulative preferred stock, $100 par, and 628,333 shares common stock no par.

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Net proceeds from the sale of the $26,000,000 3¾% bonds and the $10,500,000 debentures, will be used as follows: $37,239,193 to the redemption, purchase or prepayment of all funded debt of the company and Virginia Public Service Generating Co.; $360,000 to pay expenses of present financing; payment of accrued interest on the debt securities to be retired: and the balance will be pledged under the mortgage to be available for property additions.

Public offering prices, and names of the underwriters, will be furnished by post-effective amendment to the registration statement

Registration Statement No. 2-4913. Form A2. (12-12-41)

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923 Form A2. (12-29-41)

Amendment filed April 21, 1942, to defer effective date

Bureaucracy-As-Usual

(Continued from page 1771)

so bad. They must concentrate their own attention and that of their legal and accounting staffs not on defending a criminal suit but merely on preventing their systems and their well-coordinated engineering staffs from being torn limb from limb and tossed, the one into the nearly bottomless pits of the market for utility securities, the other into the limbo of service with small-town municipal, or Federal-owned power systems.

Nobody in the utility business seems to have thought of adding up the total cost of the SEC's death-sentence insistence, in terms of executive man-power, stockholders' money, or the man-hours of legal and accounting work tossed into the maw of these massive wars of the printed, mimeographed, and spoken word. So there aren't any figures. But the only basis on which it can be assumed that such SEC Section 11 orders do not constitute a luxurious waste in war-time is the assumption that the labors of utility executives, lawyers, and accountants, aren't worth anything. Probably most of the true-believers in the SEC way of thinking would agree that this is so. In fact, some of them have actually said—not for quotation—that the death sentence is not so much a death sentence for holding companies as a death sentence for holding company executives.

However, the war industry authorities seem to feel that there is a shortage of good executives in the country, and everybody knows that accountants are getting as scarce as hens' teeth. As for lawyers, it ill-behooves the legalistic minds of SEC officials to disparage their value.

Seriously speaking, however, the economic case for holding company staffs has been amply proved, even before Pearl Harbor—so amply, in fact, that the Commission has for the last year or so explicitly played the ostrich as far as the economic argument about holding companies goes. Two of the biggest systems have compiled overwhelming evidence that their rates are lower than those of comparable independent systems. One of them, in fact, Engineers' Public Service, through the so-called Waterman report, had the job done on punch-cards and Hollerith calculating machines, taking 188,000 rates from the files of the Federal Power Commission, putting them on cards, and running the cards through the machines. On any basis you like—area, size, type of locality, etc.—the rates of holding company affiliates are lower.

But there is more to the story than that. The war is putting burdens on the shoulders of utility people as on everyone else. Federal Power calls on them periodically and frantically to increase their generating facilities. The Tennessee Valley Authority calls on them frantically to send in power to bail it out of the trouble it got into through relying too much on hydro. Their own engineers are busy making new inter-connections as fast as they can get the equipment. New and voracious industrial consumers of power like aluminum and magnesium plants are continually coming onto the line. But meantime the executives of the industry and their staffs have to keep running down to Philadelphia to confer with professors of this and that and young crusading lawyers just out of college who believe the utility business began with Insull and ended with Hopson.

The caliber of men they have to deal with is revealed by the amusing balderdash with which the Commission discussed the death sentence in its recent seventh annual report:

"What, if any, change in emphasis may result from the transition from preparation for war to actual entry into the war cannot now be predicted. . . . It would seem obvious, however, that there can be no slackening in the effort to put the industry in a financial position to meet whatever demands may be placed upon it."

On its face this seems to mean: "We don't know what's next; therefore we're going to keep on forcing the power people to clean house so they'll be ready for anything the war requires." But that does not make sense, for pushing the death sentence, whether you look at it from the point of view of finance or operations, is just the wrong way to get the power systems in condition to meet war requirements. So the **real** meaning, to follow the Freudian method of putting into the other fellow's mouth what you think he would least like to say openly, appears to be:

"We don't know what's going to become of the SEC now, so you can bet we're going to keep on shoving the industry 'round till it is ready 'to meet whatever demands' we may choose to place upon it."

After all, the Commission has won in the trial courts, it has won in the Circuit Courts, and it has won in the Supreme Court. It has licked the utility executives wherever it has met them. No matter that it has accomplished nothing of value to anybody except itself by these victories. Did you ever see a small boy, after such a string of triumphs, who did not glory in continuing to demand "Put up your dukes!" What is war compared with such fun?

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TULSA, OKLA.—Meredith Kilgore is now with J. S. Bache & Co., Cosden Building. Mr. Kilgore was formerly with Francis, Bro. & Co.

Scott, Horner & Mason Completes Ten Years

LYNCHBURG, VA. — Scott, Horner & Mason, Inc., Law Building, is celebrating the completion of the firm's tenth year in the securities business.

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Officers, Committees Of Toledo Bond Club

TOLEDO, OHIO — The Toledo Bond Club has elected the following officers for the forthcoming year:

President: E. M. Bancroft, Stranahan, Harris & Co.

Vice-President: A. V. Foster, A. V. Foster & Co.

Treasurer: James R. Easton, Spitzer, Rorick & Co.

Secretary: Norman J. Fields, Braun, Bosworth & Co.

Members of the Board of Governors are William G. Sutherland, Ryan, Sutherland & Co., the retiring president, Oliver Goshia, Collin, Norton & Co., and Edward F. Heydinger, Siler, Roose & Co., in addition to the officers of the Club.

Mr. Bancroft has announced the following committee appointments:

Finance: Wm. H. Schliesser, Stranahan, Harris & Co., Chairman; Oscar Foster, Snyder, Wilson & Co.; Fred W. Juergens, Bliss Bowman & Co.

Membership: Burt T. Ryan, Ryan, Sutherland & Co., Chairman; Charles L. Fisher, Stranahan, Harris & Co.; O. J. Rowe, Siler, Roose & Co.

Legislation: Ralph M. Winters, Ralph M. Winters & Co., Chairman; Erwin J. Ward, Siler, Roose & Co.; Arthur M. Welsh, Braun, Bosworth & Co.

Entertainment: James D. MaGee, Braun, Bosworth & Co., Chairman; Durwood Du Bois, Stranahan, Harris & Co.; Celian H. Rorick, Spitzer, Rorick & Co.; Arthur Tresch, Braun, Bosworth & Co.; Warren D. Williams, Ryan, Sutherland & Co.

Speakers & Publicity: Ford R. Weber, Ford R. Weber & Co., Chairman; John F. Norton, Fahey, Clark & Co.; W. C. Gill, Reuben Securities Co.

Leased Lines Interesting

In the May issue of "Guaranteed Stock Quotations," B. W. Pizzini & Co., 52 Broadway, New York City, specialists in guaranteed railroad stocks and bonds, discuss the implications of recent Court decision regarding the tax status of certain leased lines, which the firm considers substantially discounted by the present prices of the stocks. Copies of the bulletin, which contains comparative figures on guaranteed railroad stocks, including dividend records, bid and asked quotations and approximate yield, may be had from B. W. Pizzini & Co. upon request.

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BRAZILIAN BONDS

Paying Partial Interest, Most External Obligations Have Speculative Appeal

Stimulated by the support and cooperation given the United States at the recent Rio Conference, relations between this country and Brazil are extremely good—both politically and economically speaking. This is extremely important insofar as our general relations with South America are concerned, because Brazil, the largest of the Latin Nations, is a vast storehouse of natural minerals and other materials vitally needed for the American war effort. This is a bilateral relationship in the true sense of the word since Brazil can supply many of the raw materials we need, and at the same time the United States can furnish many of the finished products formerly emanating from Europe. Inasmuch as vast portions of the country are undeveloped, the United States will eventually be in a position to furnish the funds and equipment necessary for the further development and industrialization of the country.

In order to further the economic and financial policies initiated at the Rio Conference, the Brazilian Finance Minister came to Washington some weeks ago. As a result of his mission, the following agreements were signed by the United States and Brazil:

1. The Export-Import Bank advanced $100,000,000 for the mobilization of Brazil's productive resources.

2. A decision was reached to develop the iron mines in the Itabira section of the State of Minas Geraes, to rehabilitate the Victoria-Minas Railway which carries the ores to the Port of Victoria, to improve the loading facilities of that port, and to negotiate a complementary contract according to which the United States and Great Britain agree to purchase the high-grade iron ores produced in the Itabira properties. The Export-Import Bank has already earmarked $14,000,000 for this purpose; repayment will be made from proceeds of the ores sold.

3. An agreement was made for an additional $100,000,000 of lend-lease assistance, bringing the total under lend-lease to Brazil to $200,000,000. Under the first allotment, $98,000,000 of defense materials went for the construction of defense bases at Natal (opposite Dakar) and other sections. It is understood that the first loan is repayable in Brazilian strategic materials including rubber and minerals.

4. The Rubber Reserve Company established a $5,000,000 fund for the development of rubber production in the Amazon Valley, and agreed to purchase Brazil's rubber output for the next five years.

The year 1941 was one of the most profitable trade years in Brazil's recent history. The year closed with an export surplus of 1,214,984 contos, equivalent to $62,815,000, the largest since 1931. Trade with the United States accounted for 58% of the total and produced a favorable balance for Brazil of $35,920,000 compared with an unfavorable balance of $5,432,000 in 1940. In consequence, there was no necessity of exporting gold to the United States, while in 1940 Brazil found it necessary to send $10,710,000 here to strengthen her dollar balances.

The shipping stringency appears to be the one unsatisfactory factor in Brazil's current economy. Since the beginning of the year, submarines have wreaked such havoc that Brazil withdrew her flagships from trade routes with the result that Brazilian exports have become few and far between. The decisions of the United States to patrol certain specific sea lanes and to convoy, if necessary, all shipments between the Americas, have lessened the submarine menace, and it is believed that the Brazilian export problem will be cleared up shortly.

Together with the recent agreements signed between Brazil and the United States and that country's favorable trade and exchange positions, are a few more: the 5% increase in coffee quotas; the desire of the U. S. to build up coffee stocks may mean that as much as 50% of the 1943 quota may be shipped as soon as bottoms are available; the chance that the U. S. may buy Brazil's cotton surplus, and finally the purchase by Great Britain of 69,000 tons of canned meat.

Brazil's external debt is serviced on a pro-rata and partial basis under terms of the 1940 Debt Service Plan. Under this plan, obligations of the Brazilian Government and the various political sub-divisions are divided into eight different grades according to the relative paying capacities of the obligors, and the nature of certain loans. The percentage of normal interest payable in the 12 months ending March 31, 1943, ranges between 50% on bonds in Grade I and 13.975% on Grade VII and nothing on Grade VIII. The accompanying table lists the various bonds according to Grades I, II, III, IV and VII, and shows the scheduled payments for 1942-1943.

Merck & Co., Inc.
(common & preferred)
Brown & Sharpe
World's Fair 4s, 1941
Merrimac Mfg. Co.
Evans Wallower Zinc
South American Bonds
Mexican Bonds
M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

	Outstdg. Million $	Scheduled Payment 1942-1943	— 1942 — Price Range		Recent Price
Grade I					
Brazil Funded 5s, 1951	24.4	$25.00	48½	34½	46-47
Grade II					
Sao Paulo Coffee 7s, 1940	18.0	35.00	64¼	54¼	57
Grade III					
United States of Brazil:					
8s, June 1, 1941	31.4	20.00	33¼	22⅞	31
7s, 1952 (Central Railway)	17.5	17.50	28	19½	28
6½s, Oct. 1, 1957	56.1	16.25	27⅝	18¼	27½
6½s, Oct. 15, 1957	39.7	16.25	28⅛	18⅜	28
Grade IV					
State of Minas Geraes:					
6½s, March 1, 1958	8.1	9.7825	16¼	9⅞	14½
6½s, Sept. 1, 1959	7.8	9.7825	16	10⅝	14½
State of Rio Grande do Sul:					
8s, Oct. 1, 1946	5.9	12.04	16⅝	10⅛	15
7s, Nov. 1, 1966	9.7	10.535	15	9¼	14
7s, June 1, 1967	3.9	10.535	15	10¾	14
6s, June 1, 1968	23.0	9.03	14	8¼	13¾
State of Sao Paulo:					
8s, Jan. 1, 1936	4.6	12.04	39¼	32	38½
8s, Jan. 1, 1950	14.7	12.04	30	26½	29
7s, Sept. 1, 1956	6.9	10.535	—	—	—
6s, July 1, 1968	14.7	9.03	29¾	20⅝	27¾
Grade VII					
State of Maranhao: 7s, Nov. 1, 1958	1.7	9.7825	15	13¾	13¾
State of Parana: 7s, March 15, 1958	3.3	9.7825	18½	15	18
State of Pernambuco: 7s, March 1, 1947	4.9	9.7825	12½	8½	12
State of Rio de Janeiro: 6½s, Jan. 1, 1959	5.3	9.08375	14½	10⅛	13½
State of Santa Catharina: 8s, Feb. 1, '47	3.4	11.18	13½	8	13½
City of Porto Alegre:					
8s, Dec. 1, 1951	3.3	11.18	15	9⅞	14
7½s, Jan. 1, 1966	3.9	10.48125	14¼	8¾	13¼
7s, Feb. 1, 1968	2.2	9.7825	13	7½	13
City of Rio de Janeiro:					
8s, Oct. 1, 1946	7.3	11.18	15⅜	10	14
6½s, Feb. 1, 1953	24,8	9.08375	13	8¾	12
6s, April 1, 1933	1.3	8.385	14	7½	13½
City of Sao Paulo—					
6s, Nov. 1, 1943	5.4	8.385	14½	8	14
8s, March 1, 1952	3.2	11.18	17¼	11¼	15¼
6½s, May 15, 1957	5.6	9.08375	16	11	14

NSTA Executive Council Appoints New Officers

The Executive Council of the National Security Traders Association, Inc., announces that it has, on behalf of the Association, accepted the request of Herbert H. Blizzard for leave of absence, which vacated the office of the President. Joseph W. Sener, Mackubin, Legg & Co., Baltimore, Md., has been appointed to the office of President; Thomas A. Akin, Akin-Lambert Co., Los Angeles, Calif., First Vice-President; Oliver Goshia, Collin, Norton & Co., Toledo, Ohio, Second Vice-President.

Mr. Blizzard has been made an ex-officio member of the Executive Council for the fiscal year and Mr. Sener has appointed Benjamin H. Van Keegan, Frank C. Masterson & Co., New York City, a member of the Executive Council.

Edgar N. Snow Is Now With R. S. Dickson Co.

(Special to The Financial Chronicle)

WINSTON - SALEM, N. C. — Edgar N. Snow is now representing R. S. Dickson & Co., Inc. of Charlotte, N. C.; Mr. Snow's offices are located in the Reynolds Building. He was formerly local manager for Scott, Horner & Mason, Inc. and prior thereto was with R. S. Dickson & Co.

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Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on May 4 that the tenders for $150,000,000 or thereabout of 91-day Treasury bills, to be dated May 6 and to mature Aug. 5, 1942, which were offered on May 1, were opened at the Federal Reserve banks on May 4. The following details of this issue are revealed:

Total applied for	$354,590,000
Total accepted	150,400,000

Range of accepted bids:

High — 99.938. Equivalent rate approximately 0.245%.

Low — 99.906. Equivalant rate approximately 0.372%.

Average price, 99.910. Equivalent rate approximately 0.358%.

(72% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on May 6 in amount of $150,092,000.

Ask NYSE Members To Volunteer On OPA Bd.

The New York City branch of the Office of the Price Administration has invited members of the New York Stock Exchange and their partners to volunteer for possible service on Local Price and Rationing Boards. Each board will sit from 10.00 a.m. to 12 noon on alternative days, excluding Saturdays and holidays. Theodore S. Watson, local director of Personnel of the OPA, 149 Broadway, New York, is receiving applications and inquiries.

One Day Nearer Victory

All letters being sent out by B. S. Lichtenstein & Company, 99 Wall Street, New York City, specialists in inactive and unlisted securities, carry the slogan "One day nearer victory."

Gatch Bros.-Jordan & Crago-Smith Merging

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Gatch Bros., Jordan & McKinney, Inc. and Crago, Smith & Canavan, both members of the St. Louis Stock Exchange, have merged their business under the name of Gatch Bros., Jordan & McKinney & Crago, Smith & Canavan, a partnership. Offices of the combined organization, which will act as broker and dealer in government and municipal bonds, general market bonds and listed and unlisted stocks, will be located at 418 Olive Street.

Partners of the new firm are: Nelson B. Gatch, Clifford Paul McKinney, John H. Jordan, Elmer L. Lacey, Roy W. Jordan, Pierre L. Papin, member of the St. Louis Stock Exchange, James A. Yates, Jr., John H. Crago, St. Louis Exchange member, J. Sheppard Smith, Jr. and James M. Canavan.

Butler, Horlacher & Dowling With Moseley

F. S. Moseley & Co., 14 Wall Street, New York City, announce that William J. Butler, previously a partner in the dissolved firm of C. E. Welles & Co., Charles Horlacher and Edward Dowling, both formerly with that company, have become associated with them.

Frank D. Lackey, Jr., member of the New York Stock Exchange and formerly a partner in C. E. Welles & Co., will make his office with F. S. Moseley & Co.

Jos. Walker Admits Smith

W. Seymour Smith will become a partner in Joseph Walker & Sons, 120 Broadway, New York City, members of the New York Stock Exchange, as of May 15th.

Final Edition
THURSDAY
In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

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House Committee Approves 94% Tax On Excess Profits For Additional War Revenue

The House Ways and Means Committee, which began on April 22 the drafting of the proposed new revenue measure, approved on May 1 a 94% tax on excess profits, and also voted normal and surtaxes of 40% on corporations with incomes of $25,000 or more—of the 40%, 24% representing normal tax and 16% the surtax. As to the Committee's action on May 1, United Press advices from Washington said:

> The Treasury won and lost in today's developments. The 94% profits levy is 4% higher than that proposed by the Treasury and by the Committee's own staff of experts. But it follows the No. 1 recommendation of President Roosevelt's anti-inflation program that corporate profits be kept "low."
>
> On the other hand, the Treasury called for a 31% surtax while the Committee's experts recommended the 16% top which was approved.
>
> To soften the blow of the near-confiscatory levy, the Committee exempted from other Federal taxes the 6% of earnings which corporations will be allowed to retain.

On the same date (May 1) it was noted in Associated Press accounts from Washington that:

> Representative Cooper, Democrat, of Tennessee, who explained the Committee's action with Chairman Doughton, said that the members also had agreed to revise the excess profits credit allowed corporations on their invested capital as follows: 8% on the first $5,000,000 of invested capital, 7% on the second $5,000,000, 6% on the next $190,000,000, and 5% on the excess above $200,000,000.
>
> The Committee retained the excess profits credit alternatives of invested capital of average earnings in the 1936-1939 base period and decided to double the present $5,000 specific exemption granted all corporations as an excess tax credit.
>
> Mr. Doughton and Mr. Cooper explained that the 94% excess profit rate would mean that 6% of excess profits would be left to corporations and that por-

(Continued on Page 1785)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

The birth of an idea: Dr. Philip Philipowski was sitting in his office in the WPB, a Washington alphabetical agency, in the cool of the evening. The doctor was worried. He had been a prodigy at Columbia University, he had subsequently taught economics for two years at the University of Pennsylvania. Then the doctor by way of progressing as economists seem to have progressed, had gone with the Rockefeller Foundation, then with the Russell Sage Foundation. While with the latter the doctor had worked out a thesis on Security: What Constitutes It. This was a paper which was hailed by those who have nothing else to do but read such things, as a master output. The troubled doctor came to the conclusion that the only people on earth who had security were the Arabs who lived in their blankets on the desert sands and the Southern Negro who was content with his songs and had a facility for sleeping wherever the mood might overtake him.

It was inevitable that when America was so foully attacked in World War No. 2 that the doctor should be called to Washington under a regime that believed the way to overcome our enemies was through ideas, accompanied by appropriations.

But after many months here was the good doctor without having produced an overall idea. As he sat there in the cool of this evening, a light suddenly came to his distressed mind. At last an idea!

By way of overcoming the Axis powers, it occurred to him that the thing to do was to require that every man in the country buying a new suit of clothes should be required to turn in an old suit. In this way would we conserve wool, or at least suits. Frankly, the doctor felt a little guilty, because his was not wholly an original idea. It was like the merchants of Tin Pan Alley who put a few different notes to a Shubert masterpiece and produce it as something new. This was inescapable to the doctor's honest mind. He knew very well that subconsciously two men had provoked his idea. First, the great genius who thought out the plan whereby one must turn in the old tube to get a new tube of

(Continued on page 1792)

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which is designed to hold two months' issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

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THE FINANCIAL SITUATION

It has long been evident that the American people were headed for larger and larger doses of regulation. Rather rigid control over substantial sections of industry and trade is essential, of course, to effective waging of "total war." Regulation of nearly everything, of course, either is now in effect in the United States or is apparently becoming, if it has not already become, almost inevitable. The present Administration is and always has been obsessed with the idea of solving all problems by regulation and control from Washington, and—with deep regret be it said—the people have themselves become startlingly regulation-minded. We in past years have often been inclined, upon any and all occasions, to exclaim, half in jest and half in earnest: "There ought to be a law." We have of late years grown disposed to demand a "regulation" to meet each situation which does not please us or comply with our convenience. And so it is, now that we are deeply plunged into a catastrophic war, that we find regulation following regulation, and so it is that we shall find the process continuing and developing from week to week. It may well be that when we have had a good taste of it all we shall change our tune a good deal, but there is little or nothing to indicate it as yet.

Intelligent observers—and victims—will, however, not for that reason fail to make careful note of the infirmities which afflict our war effort, undertake to formulate careful judgments as to the probable consequences, and thus do their part in laying a basis for rectification if and when the opportunity presents itself. The latest large dose of regulation is aimed at control of the cost of living. Practically all of us are uncomfortably affected when the cost of the necessaries of life begins to rise appreciably. Nothing perhaps brings a quicker response, or more general uneasiness or resentment. For no other purpose, accordingly, is it so easy for a government with an itch to regulate to summon popular support for the broadest of controls, which at other times or in other circumstances would meet with prompt and vigorous opposition. Save for the politician, this fact, however, affords no good reason for rush-

(Continued on Page 1778)

An Economist On Price Control

The President proposes to do more than mere price fixing, but the proposals are very inadequate. To hold prices down we must for one thing curtail the ability of the people to buy. If every dollar that the Government spends were taken from the incomes of the people, either in the form of taxes or of loans, we should have an immense counterweight to Government spending.

Prices in general could not rise very much despite the growing scarcity of goods for consumption, because the people would not have the income with which to bid them up.

Even then there would be a rise in prices of the most urgently needed commodities, as men spent less for other goods, and as they sold capital assets, turning capital into income and purchasing consumer goods. But a Government financial program which financed war expenditure entirely by taxes and borrowing from the people would be a tremendously effective way of holding prices down. It would make price fixing quite unnecessary except for scarce essentials which could be rationed at fixed prices.—Benjamin M. Anderson.

What a blessing it would be if economists like Dr. Anderson were in positions of influence in Washington!

THE FINANCIAL SITUATION

(Continued From First Page)

ing into the fray with ill-considered regulations which may make a bad situation worse instead of better, and it should be all the more reason for independent minds to scrutinize measures proposed or imposed with the greatest care.

Earnings from Wages

The President's message and his radio address on this subject last week, though both of them at many points vague, were quickly seen to have some vital defects. His suggestion of a $25,000 per year ceiling upon individual incomes was, of course, at once recognized as one of those "smart" political gestures, which if successful would enrich the Treasury but little and disrupt private industry and the lives of a relatively few individuals no end. But apart from such unfortunate items as this, there were some fundamental though not always obvious defects in his program as judged solely by the likelihood of it succeeding in reaching its objectives. One of the most serious of these is found in its application to the wage earner. He seemed fairly clearly to say that his Administration, through the proper agencies, would, generally speaking, look with disfavor upon further advances in wage rates, the reason apparently being that further increases in the income of the wage earner, coupled with an inevitable shortage of the things the worker would normally buy, would push the cost of living higher. So far, so good, but does not the President know that the wage earner in recent months has found his pay envelope heavier more by reason of longer hours of work, many of them at a punitive rate of overtime wages, than by wage increases? Does he not realize that as war production gets fully into its stride this same process of enrichment of the wage earner will be even more marked? He specifically endorsed punitive overtime after only 40 hours of work.

We call attention to this particular plank in the President's platform at this time because it seems to us to be rather typical of a vital defect in the whole structure of Washington reasoning about the cost of living. The authorities talk a good deal about prospective national income figures, and are very fond of contrasting them with the probable supply of consumer necessaries. They do well to do so, but they seem always to wince and relent and refrain when the time comes to take steps to divert excess income into the Treasury to meet the war costs which are *responsible for it.* The Government still pays largesse to the farmers, and even the President would permit, if not aid, the farmers to get some artificial price termed parity for their products. The Administration would apparently try vainly to get more from the recipients of large incomes who have little more in the aggregate to give to the Treasury. It is ready enough to place further burdens upon the middle class income receivers who are not organized and do not constitute a political "pressure group," but it simply can not bring itself to reach down into the pockets of the wage earner and take any very substantial part of the extra earnings the war is supplying and will continue to supply in increasing amounts to that well organized and politically important group in the population.

Discrepancy Remains

So long as the extra income that the war is putting into the pockets of the wage earner and the farmer is not in large part recaptured by the Treasury in taxes or some other way, the discrepancy between that part of the national income left at the disposal of the rank and file and the volume of peace-time goods produced will remain, and so long as that remains in substantial proportions, neither the President nor Mr. Henderson, with all the power that has been bestowed upon them or all the penalties provided for offenders, will be able to hold prices at any level they may arbitrarily choose. Conversely, were these fundamentals properly cared for, there would be no need for the price level to give us great concern. Finally, although Administration regulators appear never to have learned the fact, prices are themselves one of the most effective of regulators.

Incredible Impracticability

But regulation in large doses appears to be our fate, and that being the case, it may well be the hope of all of us that at least governing rules of procedure will in the future improve upon those that Mr. Henderson now promulgates for the purpose of preventing a rise in the cost of living. It seems to us these price regulations now issued are about as unintelligible, unworkable and impracticable as could be devised. To us it is incredible that the rank and file of many types of retailers can with the best of intentions determine their individual price ceilings in a great many cases. How such regulations as these can be enforced is utterly beyond us. A Congressional investigation far more astute than most of them would be required, apparently, in each individual case to determine whether the law was or was not being violated. And this enigma has only to do with prices. Rationing is, we are told, not very far around the corner in many types of goods. We may well presently find ourselves in a miasma of sickening regulation and control from which we can escape only by a complete overhauling of the regulators.

There is here, of course, no question of being unwilling to "sacrifice" for the sake of winning the war. The fact is that the program of which these regulations form a part is infirm precisely because sacrifice is not demanded of those who must sacrifice if the cost of living is to be kept within bounds. The question is not whether all are ready to do whatever is necessary to win the war, but of determining and adopting those policies which will most surely, and most quickly win the war with the least disturbance to the essential work of sustaining the civil population. Nothing, we are certain, would do more to raise the morale among the rank and file, about which we hear so much, than a feeling of confidence that our economic strategists and managers in Washington really know what they are about. Certainly it is not surprising in existing circumstances that doubt on the point is so widespread at present.

Calls Sweeping Price Regulations Of OPA On Consumer Goods Too Stringent, Unenforceable

Carlton A. Shively in his column in the New York "Sun" last week made the following comments on the sweeping general price fixing regulations issued by Price Administrator Leon Henderson to become effective on the 11th of this month:

Regarded as Too Stringent

"Looked at from a broad standpoint, the financial community felt that the new price order was going a great deal further than was at all necessary, and that it would do a good deal of harm to business in general, without effectively holding down living costs. Living costs for the main are linked to farm prices, still untouched.

"There has been no real opposition to the fixing of prices for essential war materials that actually were scarce, as rubber and some of the metals. The job of supervision furthermore was not difficult, for the supply came from a few sources and the sole purchaser was the Government. In so far as consumer goods are affected, the principle is sound that, simply because one man has the money, he should not be allowed to buy goods denied to another for lack of money.

One Sort of Inflation

"The case with all consumer goods (except farm products and a few exempt articles that obviously should not be controlled) is entirely different. Cigarettes, for example, are plentiful enough for every one, and to freeze prices on them hardly will help win the war. Thousands of other examples could be mentioned, which raises in some minds naturally enough the question of how much price control is needed and how much will work out simply as inflation of the desire to order people around.

"We have had lots of inflation of that sort. We have had no inflation worth mentioning of any other sort. Commodity prices have risen some, but even with a 40% cut in the gold value of the dollar the level still is below that of 1926 on a wholesale basis. We are not likely to have inflation so long as taxes and Government bond purchases from savings are as great as they are, and so long as so many commodities are unobtainable. In any event, a war cannot be won by deflation, but a country's economy can be ruined by it. Some price increase would give the country a needed lift.

We Had It Once

"Finally, as the consensus here may be stated, 'we had experience with prohibition by constitutional amendment, and as applied to only one commodity. It failed because of the inability of an army of law enforcers to enforce, although it had the support of a large portion of the population a all times and of a majority par of the time.

"'It requires only a look into that experience, and to the present day experience of other countries with black markets and bootlegging, to visualize what the difficulties will be — and for what good war purpose? The vast horde of reporters, enforcement officers and mere snoopers that will be required to police the many thousands of small sellers of something that people as a whole really want could do a lot in some really useful war work perhaps in actual combat.'

Blackout

"A statistical blackout on the grand scale will take place, now that the OPA has gone to all sorts of limits in nearly every direction on price and rent controls. Possibly, in order to preserve large pay rolls, the armies of statistical experts in various Government bureaus will continue to make up such tables and indices as the Bureau of Labor Statistics index of wholesale commodity prices, weekly and monthly, but the need for publication will be slight, since most of the tables will henceforth be meaningless. Real prices will be those of the black markets that will spring up like mushrooms all over the country, but no one can muster them. Even information on corporation profits will have a much diluted value, once a law be passed to eliminate virtually all profits, and for a long time the securities markets haven't seemed to care much what went on. Information is useful only if something can be done about it and little can be done to prepare against anything by buying or selling securities."

Savs. Banks Conference

The National Association of Mutual Savings Banks yesterday (May 6) opened in New York City a three-day discussion of national economic affairs. The first scheduled business of the conference was an address by Andrew Mills, Jr., President of the Association and President of the Dry Dock Savings Institution, New York, reviewing developments of the year as they affect the thrift capital of the nation, and emphasizing the economic importance of volunteer war saving.

Senate Defers Action On Labor Legislation

The Senate on April 28 indefinitely postponed consideration of labor legislation after Senator Connally (Dem., Tex.) withdrew a motion to bring up his bill, giving the Government power to seize strike-bound war plants and freeze working conditions in them. Senator Connally indicated as the reason for his action his disinclination to figure in the position of carrying on "an apparent controversy with the President."

A group of Senators had been prepared to offer amendments to the bill among them being: Extension of the work week in war industries to 48 hours; freezing open and closed shops for the duration and limiting union initiation fees. Senator Byrd (Dem., Va.) sought unsuccessfully to have Senator Connally defer the motion to a later date.

Previous postponement of consideration of this bill was referred to in these columns April 23, page 1628.

Coordinates Wage-Hour, Public Contracts Laws

Smoother and more efficient administration of the coinciding provisions of the Fair Labor Standards Act and the Walsh-Healey Act is reported as resulting from recent action of President Roosevelt naming a single administrator for both. This was pointed out on May 1 by L. Metcalfe Walling, Administrator of both the Wage and Hour Division (Fair Labor Standards Act) and the Division of Public Contracts (Walsh-Healey Act). Both are Divisions of the U. S. Department of Labor. The New York office of the Wage and Hour Division says:

> Since assuming administration of the Wage and Hour Division in March, while retaining administration of the Division of Public Contracts, which he has directed since its formation in 1937, Mr. Walling has endeavored to eliminate overlapping administrative functions. Such conditions existed in instances where employers subject to the Wage-Hour Law obtained contracts for the production of government goods, the fulfillment of which requires compliance with the Walsh-Healey Act as well.
>
> Among objectives being gained since Mr. Walling's assumption of the dual role, are elimination of wage rate discrepancies where the Walsh-Healey Act rate is 40 cents an hour or less, elimination of conflicting learner and handicapped worker restrictions, and smoother operations through decentralization of the field personnel of the Division of Public Contracts. The latter is being accomplished through the stationing of Public Contracts personnel in regional and branch offices of the Wage-Hour Division.
>
> * * *
>
> Another step toward bringing the two Acts into accord is the recent order lowering the age limit for employment of girls under the Walsh-Healey Act from 18 years to 16 years, in certain industries, in accordance with a request by the Secretary of War. The Wage-Hour Law basic age is 16 years, also.

Civil Functions Bill

The $343,938,929 War Department Civil Functions Bill providing funds for flood-control projects and river and harbor developments was signed by President Roosevelt on April 28.

Reference to final Congressional action on this measure was made in these columns April 30, page 1706.

The State Of Trade

The heavy industries continue to reflect the increased acceleration of the war production effort, this being especially noticeable in carloadings, which are 19.4% above a year ago, and 33.6% above the same week in 1940. Electric production is holding at high levels and substantially above last year. The steel industry is being pressed almost to the limit in many quarters. The tremendous surge forward is in no small measure reflected in employment figures from Washington.

According to official sources, civilian employment up to March 15 reached an all-time high of 40,298,000 persons. It was stated that the conversion of the durable goods industry to war production had not caused anything like as severe a dislocation as had been feared.

The total for mid-March is an increase of 2,537,000 since March, 1941, and an increase of 303,000 from mid-February of this year. These figures do not include farm employees.

Retail trade appears to be slowing down, following the brisk pre-Easter activity. Department store sales last week, for example, were only 13% above the same week last year. In view of the rise in prices, actual unit sales are now slightly below those of last year. In the New York Federal Reserve District sales were only 8% higher than the same week last year, indicating a sizable decline in unit sales of merchandise.

While announcement of maximum price ceilings had a less unsettling effect on stores' buying activity than had been anticipated, there was a marked curtailment in buying until the full implication of the new orders could be learned.

Few wholesalers reported cancellations in orders already booked, according to the Dun & Bradstreet, Inc., report. Reorders were being placed in heavy volume for goods for immediate selling. In other words, the rate of buying still suggested that price considerations were subordinate to such considerations as deliveries.

The amount of electric power produced by the electric light and power industry during the week ended April 25 amounted to 3,299,181,000 kwh., according to the Edison Electric Institute. This quantity distributed during the week was about 0.4% less than was produced in the preceding week, although it was 11.8% higher than in the comparable week last year.

According to the Association of American Railroads, 861,353 cars of revenue freight were loaded during the week ended April 25.

This was an increase of 14,791 cars, or 1.7%, compared with the preceding week; an increase of 139,726 cars, or 19.4%, compared with a year ago, and an increase of 216,549 cars, or 33.6%, compared with 1940.

Predictions a few days ago that steel production for the current week would be at a new all-time high were not realized when the American Iron and Steel Institute announced operations scheduled for the industry at 98.6% of capacity against last week's rate of 98.9%.

The current rate, which is 3/10 of a point lower than a week ago, indicates production of 1,674,800 net tons of steel ingots for the week, compared with 1,679,900 tons last week and 1,562,200 tons for the like 1941 week.

Engineering construction awards in the week ended Thursday rose 53% over the comparable week last year, but fell slightly below the high total of the previous period, "Engineering News-Record" reveals.

Department store sales in New York City rose 6% in the week ended May 2, compared with the same 1941 week, according to a preliminary estimate made by the New York Federal Reserve Bank. The same stores also had reported an increase of 6% in the week ended April 25.

The Bell System reports a net increase of 93,700 telephones in service during April, compared with 105,700 in March and 112,500 in April, 1941.

The gain for the first four months of 1942 amounts to 416,200 telephones for American Telephone & Telegraph Co., against 483,000 in the same period a year ago. As of April 30 there are about 19,254,800 telephones in the system.

The Nation's principal inflation threat lies in the swelling payrolls of the mass of consumers who buy the bulk of the goods and services available, the recent monthly letter of the National City Bank asserts.

From 1940 through March of this year factory payrolls showed an aggregate rise of 73%, the letter points out, adding:

"Taxation for the purpose of curtailing spending should reach this increase either through a sales tax, a tax on wage payments at the source, or reduced income tax exemptions and high rates on the lower brackets.

"The taxes on higher incomes alone, although properly at high and progressive rates, cannot possibly have the necessary effect because they reach a small minority of the people and a small part of the consumer demand.

"Chief criticism of the inflation fight is the lack of a 'complete and rounded policy' to absorb the excess buying power created by the war program and the curtailment of civilian goods. Tax rates were increased, but the people having the largest part of the income increase 'were relatively untouched.'"

The price control law almost nullified its control of farm prices through special provisions, and wage rates were exempted, the letter states.

Unless a rounded program is instituted, and all the policies are successful, inflationary pressure will push against the ceilings and might, as in other countries, lead to hidden price increases and black markets.

House Votes New Bill To Control Foreign Agents

Legislation tightening the restrictions on foreign agents' activities in the United States was passed by the House on April 21 and sent to the Senate after, it is stated, having been adjusted to meet President Roosevelt's objections. The President last February vetoed a similar bill because of some requirements which he considered unnecessary with respect "to the representatives of friendly nations who are constantly coming to and from the United States to cooperate with us." This was noted in our issue of Feb. 19, page 765. Under the new measure these agents are given more freedom of action. The Associated Press on April 21 stated:

> The legislation requires foreign agents subject to registration to label all political propaganda they disseminate; transfers administration of alien agent registration from the State to the Justice Department; requires agents to file copies of their political propaganda with the Justice Department; and requires the registration of foreign agents using the United States as a base for propaganda activities in Central and South America.

Govt. Rent Control, Dwelling Registration Ordered For Defense Areas By OPA

Federal control of rents in 302 defense areas in 46 States and Puerto Rico, housing more than 76,000,000 persons, was imposed on April 28 by Price Administrator Leon Henderson. In effect, Mr. Henderson recommended the maximum rent ceiling for each of 302 groups of communities. If his recommendations are not carried out within the next 60 days, he is empowered by the Emergency Price Control Act to step in and impose Federal controls, said the announcement from the Office of Price Administration on April 28, which further said:

> This is not OPA's first action on high rents, since 21 areas with an aggregate population of 10,000,000 persons already are on notice to bring rents down. In four-fifths of the areas so far announced, Mr. Henderson's recommendations would freeze rents as of March 1, 1942, thus wiping out any increases that have occurred during the current spring moving and leasing period. Because exorbitant increases have taken place in 64 areas, the Price Administrator recommended that rents be cut back to levels in effect on Jan. 1, 1941, April 1, 1941, or July 1, 1941. Ten of the 21 areas previously designated were enlarged today.
>
> "Rent control is a war measure and an essential part of the over-all price ceiling," Mr. Henderson stated. "Rent is second only to food in importance to the average family budget and American families spend five to six billion dollars a year for rent."
>
> He appealed to every landlord and every tenant to cooperate with each other and with the Government to guarantee success of the program, which he described as "an invaluable contribution to the war effort on the home front." He warned that the March 1, 1942, rent date would not establish fair levels in many cases and that if voluntary adjustments were not sufficient he would reconsider and take appropriate action. "Furthermore," he added, "the designation of 323 areas does not mean that rents would not be checked in the few remaining sections of the country still free of control. We are continuing our study of local conditions and will move immediately into additional areas whenever it appears that the defense activities are likely to result in higher rents."
>
> Three main points are involved in Mr. Henderson's rent recommendations: (1) For housing accommodations rented on the maximum rent date (March 1, 1942 or Jan. 1, April 1, or July 1, 1941, as the case may be) the rent shall not exceed that charged on the maximum rent date. (2) Provision must be made for establishing maximum rents for accommodations not rented on the maximum rent date, or substantially altered subsequently. (3) Provisions must be made to prevent evasion of maximum rents and to protect the tenant against unwarranted eviction.
>
> Of the 323 defense rental areas designated, 132 contain establishments of the armed forces, 63 primarily are centers of ordinance manufacture and storage, 15 are mainly shipbuilding and ship repair centers, 8 are locations of aircraft plants, and the remaining 105 contain establishments engaged in varied war production.

Registration of all rented dwelling accommodations will be required in cities and towns brought under Federal rent control, Price Administrator Leon Henderson announced on April 29 in making public the text of OPA's Proposed Maximum Rent Regulations covering dwelling units other than hotels and rooming houses. The announcement states:

> The registration will be made by landlords at a local rent administrator's office to cover houses, apartments, trailers, and all other property which is rented for living quarters. A similar registration will be required of persons operating hotels and rooming houses. Regulations covering hotels, rooming and boarding houses will be issued shortly.
>
> Implementing the Emergency Price Control Act, the regulations, not yet in effect in any area, prescribe the methods of rent control by the Office of Price Administration. They will become effective only on specific order from Mr. Henderson, and only in previously designated defense-rental areas where, after a 60-day period, a finding is made that recommendations for stabilizing rents have not been met.
>
> Under the regulations, a ceiling will be placed on rents at the level in effect on a specified date. Increases above the rental in effect on that date may be made only in exceptional cases and will be subject to consideration by the local rent director.
>
> Thus far 323 defense-rental areas, housing 86,000,000 persons have been designated. For the first 20 areas, the 60-day period expires May 2.

Brief reference to the OPA's rent control appeared in these columns April 30, page 1705.

Reduction In Cotton Yield From Stated Causes

The percentage reduction from full yield of cotton in 1941 was slightly greater than average for the United States as a whole, the United States Department of Agriculture announced on April 28. According to crop correspondents the reduction in yield from various causes was 38.6% of a normal or full yield compared with 35.3%, the 10-year (1930-39) average. In 1940 the reported reduction was 30.6%; in 1939, 34.2%; and in 1938, 32.2%. The percentage loss from full yield was greater than any year since 1934, when insufficient moisture was the principal contributing factor. Even though percentage losses in 1941 were greater than average, the final turnout of lint per acre was above average. The restriction of the cotton acreage to the more fertile lands during recent years, coupled with soil improvement practices and better cultural methods, has resulted in an increase in the full yield per acre on the acreage planted.

More than half of the reported reduction was attributed to boll weevils and other insects. The boll weevil damage of 15.4% for the entire cotton belt was almost double the 10-year average of 8.2%. Loss from this cause was the greatest since 1927, but was only slightly above the 15.2% reported in 1932. Above average losses from weevils occurred in all States except Virginia, North Carolina, and Tennessee. Damage from this cause in 1941 amounted to 27% in South Carolina and Georgia, 23% in Mississippi, 22% in Louisiana, 20% in Alabama, 19% in Florida, 11% in Texas and Arkansas, and 10% or less in the other States.

Loss due to insects other than boll weevil was reported at 4.8% compared with the 10-year average of 2.8%. Damage was much heavier than usual in the States west of the Mississippi River.

The combined loss from deficient and excessive moisture for the 1941 crop was reported at 11.9% which was about the same as the preceding year, but less than the 10-year average of 14.8%. Damage from deficient moisture was less than for any year since 1920. On the other hand, damage from excessive moisture was greater than for any year since 1920. Loss from excessive moisture was greater than average in all States with the exception of Missouri, Virginia, Tennessee, and Arkansas, South Carolina, and Florida were the only States showing an increase over the 10-year average in loss from deficient moisture. In Texas and Oklahoma where deficient moisture usually causes heavy losses, damage from this cause was almost negligible.

Other climatic influences, including frost, freeze, hail, floods, heat, hot winds, and storms caused less than average damage in all States except Texas, where the reduction in yield was very slightly greater than average. A large part of this loss in Texas was caused by floods.

This statement on losses is based upon reports of crop reporters made in March, on a crop damage inquiry in which the reporters were asked to report the percent of a normal yield per acre of cotton harvested the preceding year, and the percent loss in yield due to each of various stated causes. The resulting indicated percentages represent the combined judgment of the crop reporters and are useful as indices of relative losses from the stated causes.

FDR Asks More Funds To Aid Low Income Farmers

President Roosevelt on May 1 asked Congress to increase from $125,000,000 to $245,000,000 the amount to be made available to low income farmers for increasing production of farm products under the food-for-freedom program. As to this the Associated Press said:

> The money would go to farmers in the form of loans and grants by the Farm Security Administration, and would be appropriated in the Agriculture Department supply bill pending now before a Senate appropriations subcommittee.
>
> As passed by the House, the measure now provides a direct appropriation of $50,319,557 to the FSA for granting financial assistance, guidance and supervision to low-income farmers. It also authorizes the Reconstruction Finance Corporation to advance $75,000,000 to the FSA for the same purpose. Under the President's request, the direct appropriation to the agency would be increased by $14,778,000, and the amount the RFC would advance would be increased by $105,500,000.

Funds For Dies Committee

The House on April 28, by a roll-call vote of 290 to 64, approved an appropriation of $110,000 for the Dies Committee on Un-American Activities to continue its investigation. Representative Dies (Dem., Tex.), head of the committee, had asked for $300,000, but the House Accounts Committee figured that $100,000 would be sufficient to finance the group's work for the rest of this year. The other $10,000 is designed to pay off the deficit incurred by the group in recent weeks, when it was operating without funds. The House had extended the committee's existence early in March, as reported in our issue of March 26, page 1251. The committee has been inquiring into subversive activities for nearly four years at an estimated cost of $385,000.

Federal Reserve Board Broadens Consumer Credit Regulation—Covers Instalment Loans

The Board of Governors of the Federal Reserve System has adopted, effective May 6, amendment No. 4 to its Regulation W relating to consumer credit. The purpose of the revision is to help make effective the last point in President Roosevelt's seven-point program (in his message to Congress April 27) to keep the cost of living from spiraling upward—"discourage credit and instalment buying, and encourage the paying off of debts, mortgages, and other obligations." As amended, the regulation applies to a comprehensive list of durable and semi-durable goods for civilian consumption. The regulation extends to all types of consumer credit whether in the form of instalment sales and instalment loans or in the form of charge accounts and single-payment loans.

In a notice sent to those concerned in the Second Federal Reserve District, Allan Sproul, President of the New York Federal Reserve Bank, says that the amended regulation "contemplates that the volume of outstanding consumer credit, already substantially diminished, will be further contracted in keeping with the Government's purpose to prevent the rapid bidding up of prices." From Mr. Sproul's circular we quote:

> The principal changes made in the regulation are:
>
> 1. The list of consumers' goods to which the regulation applies has been broadened to include automobile batteries and accessories, tires and tubes; bedding; draperies; binoculars; household electric appliances not hitherto listed; used furniture; jewelry; luggage; athletic equipment; table and kitchenware; pottery, glassware; yard goods; and non-military clothing and furs, including shoes, hats and other haberdashery.
>
> 2. The maximum permissible maturity of instalment sales has been reduced to 12 months, and the required down payment for all listed articles has been increased to 33⅓%, except that in the case of furniture and pianos the required down payment has been increased from 10 to 20%, and in the case of automobiles the maximum maturity of 15 months and down payment of one-third are retained.
>
> 3. The scope of the regulation has been broadened to make it cover, in addition to instalment sales and instalment loans,
>
> (a) Charge-account sales of listed articles—The regulation provides with respect to charge accounts that unless payment is made by the tenth day of the second calendar month following the purchase, no further credit may be extended to purchase any listed article until the items in default have been paid for in full or have been placed on an instalment basis for payment within six months. No down payments are required on purchases in charge accounts.
>
> (b) Single-payment consumer loans—Such loans of $1,500 or less are limited to a maturity of 90 days, and where such a loan is to purchase a listed article costing $15 or more, a down payment is also required. If not paid in 90 days, the loan must be placed on an instalment basis.
>
> 4. The revised regulation provides that instalment payments shall not be less than $5 per month or $1.25 per week.
>
> The exemption from down payment requirements of instalment sales maturing within three months has been repealed.
>
> Provisions covering seasonal adjustments and so-called farmer plans are retained in the regulation, together with various additional exceptions, such as real estate loans; security loans subject to Regulations T and U of the Board of Governors; educational, hospital, medical, dental, and funeral expenses; aircraft; defense housing; credit to dealers; fire and casualty insurance premiums; agricultural production loans; business loans; insurance policy loans; and extensions of credit to the Federal Government, to local governments, or to any hospital, school, college, or other educational or charitable institution.
>
> The regulation continues to provide that any person who is subject thereto must be licensed. Any person who has already filed a Registration Statement is not required to file another because he is duly licensed by virtue of the original filing.
>
> Any person who was not formerly subject to the regulation but becomes subject thereto because of Amendment No. 4 is granted a general license. If such person is required to be licensed solely because he makes charge sales of listed articles or makes single-payment loans, the general license will continue until the Board of Governors shall by public announcement require such person to register. Any other person who now becomes subject to the regulation must file a Registration Statement on or before July 31, 1942, the expiration date of his general license.

Non-Farm Foreclosures Up

The Federal Home Loan Bank Administration announces that as usual in March, non-farm foreclosures exceeded those of the short month of February. There were 3,934 foreclosures registered in March, compared to 3,630 cases in February. However, it is noted the 8% rise was less than the normal seasonal increase of 13%. The seasonally adjusted index for March was 29.6 compared to 30.9 in February (1935-1939=100). The announcement likewise says:

> In relation to the corresponding month of 1941 non-farm foreclosures were down 30%. Most sections of the country shared in this decline from a year ago. Exceptions to this downward movement were found in the Little Rock Federal Home Loan Bank district and in eight states. Four of these States were located in the Little Rock district.

Sao Paulo Bond Payments

City Bank Farmers Trust Co., New York, has received funds to apply to payment of the May 1, 1940 coupons of City of Sao Paulo, United States of Brazil, external 30-year 8% secured sinking fund gold bonds of 1922, due March 1, 1952, at the rate of 13.975% of the dollar face amount of the coupons. Accordingly, payment of $5.59 per $40 coupon and $2.795 per $20 coupon will be made at the offices of the bank, 22 William Street, New York City.

Holders of City of Sao Paulo (Brazil) 6% external secured sinking fund gold bonds of 1919, due Nov. 1, 1943, are being notified by The Chase National Bank, special agent, that funds have been received for payment to holders of these bonds of 13.975% of the face value of the coupons due May 1, 1940, equivalent to $4.1925 for each $30 coupon. Payment will be made at the office of the bank, coupon paying division, 11 Broad Street, New York.

U.S. Commerce Chamb. Advocates Open Shop

In a resolution adopted on April 30 at its annual convention in Chicago, the Chamber of Commerce of the United States advocated the open shop and suspension of all "artificial limitations upon hours of work" during the war. Reporting this, Associated Press accounts from Chicago, as given in the New York "Journal of Commerce" stated:

> An amendment to the resolution, introduced by Sterling Morton of Chicago, Secretary of the Morton Salt Co., asserted: "There should be immediate legislation by the Federal Congress to protect the right to work."
>
> As adopted at the closing session of the Chamber's 30th annual meeting, the labor relations resolution set forth in part:
>
> "Until recent years the right to work has not been seriously challenged in this country, but on this right there have now been successive encroachments that concern every American. In the face of national peril, these encroachments have impeded maximum war production. Neither labor nor management has a right to promote its respective interests at the expense of the general welfare.
>
> "The right of obtain employment, and to remain in employment should not be conditioned upon membership, or nonmembership, in any organization, or upon any payment to any one.
>
> "The right to strike should never exist against government—Federal, State or local. When the Nation is at war the national interest would be served if the exercise of the right were voluntarily suspended by all workers."
>
> This last paragraph occasioned one of the several debates which preceded passage of the resolution. Fitzgerald Hall of Nashville, Tenn., a Director of the Chamber and President of the Nashville, Chattanooga & St. Louis Rwy., objected to it because he said, it recognized "the right to strike."
>
> "I don't believe there is a right to strike—even against private industry," Mr. Hall said. "I'm against it."
>
> "You don't mean a man hasn't the right to strike in my business if he wants to?" asked Albert W. Hawkes, President of the Chamber and a member of the War Labor Board.
>
> "It depends upon the way he strikes," Mr. Hall declared, amid a smattering of applause from the delegates.
>
> Another section of the resolution declared: "Artificial limitations upon hours of work, whether imposed by statute with penalties for employers or by labor organizations with penalties for employes, should by law be suspended during the war."
>
> The labor relations resolution and one concerning price control were the only ones which evoked any special discussion from the floor. In its final form, the resolution advocated amendment of the Price Control Act to include "all elements which control prices, and this includes salaries and wages."
>
> All other resolutions submitted by a special resolutions committee passed unanimously. They called for a reduction of governmental expenditures not necessary for the war effort, an equitable program of Federal taxation, adopted for the duration of the war; modification of the excess profits tax; and for no further expansions of social security benefits until the war is won.

ODT Orders Restriction Of Newspaper Deliveries

Deliveries of newspapers will be restricted to one edition a day at any one point beginning May 15, an Office of Defense Transportation official said on April 28 in an informal explanation of the ODT's April 20 order to eliminate special trips and reduce local trucking mileage.

According to the Associated Press, newspapers now deliver each edition to sales points or redistribution points, the number of such deliveries running as hign as 25 a day in one instance, the official said. The AP advices added:

> The order to local delivery carriers applies to every type of commercial enterprise and to governmental agencies, including those of the Federal Government.
>
> It was explained that some hardships of the order might be relieved by pooling arrangements or by special exemption upon application to the ODT.

The American Newspaper Publishers Association on May 4 petitioned the ODT for modification of this order and, according to the New York "Times" submitted a six-point plan designed to reduce mileage without seriously cutting deliveries. The plan follows:

> 1. Eliminate deliveries to individual subscribers.
> 2. Reduce or eliminate extra or special edition deliveries.
> 3. Make greater use of common and contract carriers where available.
> 4. Reduce number of trips for returns or collections.
> 5. Reduce overlapping delivery routes in cities where two or more daily newspapers publish morning and/or evening.
> 6. Pool deliveries wherever possible.

Rayon Output Up 17% In First Quarter of '42

Domestic production of rayon yarn plus staple fiber amounted to 153,900,000 pounds during the first quarter of 1942, states the current issue of "Rayon Organon," published by the Textile Economics Bureau, Inc., New York. This total, while slightly less than the 155,100,000 pounds produced in the last quarter of 1941, nevertheless is 17% greater than the 131,200,000 pounds produced during the first quarter of 1941.

The announcement, issued May 6, further says:

> Yarn production alone amounted to 117,100,000 pounds in the first 1942 quarter. This was slightly below the all-time record of 118,800,000 pounds produced during the last quarter of 1941, but 10% greater than the total of 106,200,000 pounds produced in the first quarter of last year.
>
> Production in both the viscose-cupra and acetate divisions of the yarn industry was lower during the first quarter of 1942 as compared with the final quarter of 1941. The viscose-cupra yarn output, however, registered only a slight decline, totaling 75,200,000 pounds in the first 1942 quarter as compared with an output of 75,700,000 pounds in the final 1941 quarter.
>
> The principal reduction in yarn output was in the acetate division, where first quarter 1942 production totaled 41,900,000 pounds as compared with the record-breaking total of 43,100,000 pounds reported in the last quarter of 1941.
>
> "The decline in acetate yarn output," states the "Organon," "was due principally to a reduction in the average denier size of acetate yarn spun. The high proportion of finer denier yarns spun during the January-March period, in turn, reflects the prevailing tight supply conditions existing for some of the raw materials used by this process of rayon manufacture."
>
> Domestic production of rayon staple fiber amounted to 36,800,000 pounds during the first quarter of 1942, a new all-time quarterly record and compared with a previous record of 36,300,000 pounds in the final 1941 quarter. In the first quarter of 1941, the "Organon" reported 30,700,000 pounds of staple fiber "available for consumption," namely, production plus imports. Figures covering imports, if any, are no longer available.
>
> For April shipments of rayon filament yarn to domestic consumers aggregated 37,500,000 pounds as compared with 40,000,000 pounds shipped in March, 1942, and 38,700,000 pounds in April 1941. For the four months ended April 30, shipments totaled 154,700,000 pounds as compared with 140,700,000 pounds in the corresponding 1941 period, an increase of 10%.
>
> Rayon staple fiber delivered to domestic consumers during April amounted to 13,000,000 pounds as compared with 12,600,000 pounds delivered in March and 12,000,000 pounds in April a year ago. Deliveries for the four months ended April aggregated 49,400,000 pounds as compared with 40,400,000 pounds delivered in the corresponding 1941 period, an increase of 22%.
>
> Stocks of rayon filament yarn in the hands of producers on April 30 totaled 5,400,000 pounds against 4,100,000 pounds held on March 31. "These yarn inventories," the "Organon" points out, "continue to reflect the poundage of unreleased reserved rayon held under Order M-37-c both for former silk and nylon users and for the export program."
>
> Rayon staple fiber stocks held by producers totaled 1,600,000 pounds on April 30, as compared with 2,300,000 pounds held at the end of March.

AFL, CIO Agreement On Jurisdictional Disputes

An agreement between Presidents of the American Federation of Labor and the Congress of Industrial Organizations providing a procedure for settling union jurisdictional disputes for the duration of the war has been reached, it was announced April 29 by William H. Davis, Chairman of the National War Labor Board. The latter stated that "this agreement will dispose not only of disputes between unions affiliated with the two national organizations but also disputes between unions within either the AFL or CIO which affect the war effort." Mr. Davis had the following to say regarding the agreement:

> Under procedure worked out with Philip Murray, President of the CIO, and William Green, President of the AFL, all jurisdictional questions in cases coming before the War Labor Board will be referred as a matter of course to the labor members of the Board for adjustment. If any particular dispute cannot be settled by the labor members, Mr. Murray and Mr. Green will be so notified and they will thereupon promptly appoint a group or individual to make a final and binding determination of the dispute.
>
> Jurisdictional disputes have always been the most difficult to settle because of their very nature. The American people will welcome this agreement between the two labor organizations for finally determining all jurisdictional disputes until the war is won.

WPB Bars Use Of Many Steel Items To Civilians

The War Production Board on May 4 issued an order prohibiting the use of iron and steel after Aug. 3 in the manufacture of more than 400 common civilian products, including such items as bathtubs, pie plates, cash registers, waste baskets, cigarette lighters, clock cases, mail boxes and fountain pens.

The sweeping order — General Conservation Order M-126 — affects not only the manufacturing plants but also thousands of wholesalers, distributors, jobbers, retailers, employees in all these businesses and the consuming public. Limited production is permitted for 90 days, but after that manufacture must stop, even for many items customarily used by the armed forces.

Manufacturers have 15 days to deliver or accept delivery of iron and steel to be used in the manufacture of any of the products listed in the order. For 45 days iron and steel may be processed for the manufacture of the items listed, up to an aggregate weight of 75% of the average monthly weight of all metals processed by each manufacturer during 1941 in the making of each item. The processing must be completed within the 45 days and the next 45 days is allowed for assembly of the products. After that date all use of iron or steel is prohibited.

Manufacturers who have been making items on the list out of iron or steel may not turn to any other metal except gold or silver to make that article.

Army, Navy or Maritime Commission orders may be processed, fabricated or assembled for 90 days from May 4 without restriction. At the end of this period manufacture of all these items even for Army, Navy and Maritime uses except with special authorization by the Director of Industry Operations must cease.

A special restriction is set up with regard to roofing and siding. This may be manufactured for the Army, Navy, Maritime Commission and certain other Government agencies; for delivery on a preference rating of A-1-k or higher assigned by a PD-3-a preference rating certificate or by a preference rating order in the P-19 series; for the defense housing; for the manufacture of railway freight cars, street cars, busses, trucks or trailers; or for delivery to a consumer for maintenance and repair purposes regardless of rating. Total manufacture of roofing and siding is restricted for the remainder of this year to 20% of the output of the individual manufacturer in 1940, and in 1943 and subsequent years to 25%.

$25,000 Or More Income Received By 50,000

At least 50,000 persons, including President Roosevelt himself, have net incomes exceeding $25,000 a year—the figure which the President in his message to Congress on April 27 said ought to be an individual's maximum after payment of taxes. Noting this, Associated Press accounts from Washington April 27 stated:

> In 1940, 50,747 persons reported incomes of $25,000 or more. However, probably no more than half that number had $25,000 left after paying the tax collector.
>
> Under present tax laws a person can earn up to about $40,000 a year and, after paying Federal taxes, stay within the President's limit. But in about half the States, State income taxes also take a chunk out of large incomes.
>
> President Roosevelt's salary is $75,000 and he has additional income from personal property. He pays Federal and New York State income taxes. The President's mother left him an estate of more than $1,000,000, but he will not come into possession of it for another year.

The suggestion that no individual be permitted to have a net income of more than $25,000 after payment of taxes was made by the President in his message to Congress on April 27, given in our April 30 issue, page 1708. In a speech in the House of Representatives on April 29, Representative Springer of Indiana suggested that the President voluntarily reduce his salary to $25,000. From the "Congressional Record" we quote the following from Mr. Springer's remarks:

> The President has urged that all salaries of the people be reduced to the sum of $25,000 per year, after the payment of taxes and fixed charges. I wonder if the President intends to make an exception respecting his own salary. If the President wants to reduce the salary of every other person to $25,000 per year, then he, too, should voluntarily reduce his salary as President to that same figure. He should be willing to help on the home front by making some self-denial, and he should be willing to comply with his own rule. Therefore, I call upon the President to voluntarily reduce his own salary, as President, to $25,000 per year, and to comply with his own rule. This self-denial would be an inspiration to the people of this nation. The people want action; they do not want lip service only.

Mr. Springer also said:

> It might be well for Eleanor Roosevelt, the wife of the President, to reduce her salary and charges for radio advertising and personal appearances so that she, too, will fall within the rule established by the President.

Restrict Coffee Delivery

The War Production Board on April 28 placed restrictions on the distribution of the entire United States coffee supply. The order reduces the amount of coffee which may be delivered by roasters and the amount which may be accepted by wholesale receivers during any month to 75% of deliveries during the corresponding period of 1941. The Board's announcement also says:

> This action was taken to conserve supplies now on hand for the Army, Navy, and civilian population and to make future supplies go as far as possible. The war has created uncertainties about future supplies, since merchant ships that normally transport coffee are needed to carry war materials.
>
> Practically all coffee received in the United States comes from 14 South and Central American countries, with Brazil and Colombia alone supplying about 75% of the total. Present stocks of green coffee in this country are about normal.
>
> Conservation Order M-135, issued today, specifically requires roasters and wholesalers not to discriminate between customers. The direct Order does not attempt control at consumer levels, but receivers affected by the order are expected to pass the cut along to their customers as equitably as possible.

Lend-Lease For Irak, Iran

President Roosevelt announced on May 2 that he has found the defense of Irak vital to the defense of the United States and therefore eligible for lend-lease and, according to Washington advices May 2, the New York "Herald Tribune", which also reported that the President likewise disclosed the completion of formalities with Iran for lend-lease assistance. No further details were made public.

Realtors Ask Date Change In Rent Control Order

Change in the application dates for Federal rent control to make the application simultaneously as of March 1 in all the cities selected is requested in resolutions adopted by members of the Institute of Real Estate Management and by representatives of member boards of the National Association of Real Estate Boards. The resolutions, adopted at a national conference on rent control representing the residential management business of the United States, and now before Price Administrator Leon Henderson, are based upon the complete change in circumstances with reference to rent control brought about by President Roosevelt's message of April 28, given in our April 30 issue, page 1709. The resolution states:

> Since the President's address, rent regulation has become an integral part of a much larger program of price control to prevent inflation in the interest of winning the war. This purpose has superseded the use of rent control to remedy local rent situationss affecting war workers only. At present it is designed to regulate practically all urban residential rentals for all economic classes. Under these circumstances it seems fairer to everyone concerned and certainly much simpler for administration if rent control is is applied to all cities selected simultaneously as of March 1, 1942. We believe if this change is made it will eliminate a feeling of discrimination and injustice on the part of some 60 cities which have been selected for retrospective freezing dates."

The real estate management business of the country, in further resolutions of the conference, pledges support to the Government in its effort to prevent inflation and agrees to co-operate loyally in all ways possible in making the stabilization of rentals practicable and workable during the war emergency.

OPA Indexes Orders

Issuance of an indexed digest of all public announcements made by the Office of Price Administration and its predecessors over the period of slightly more than one year and seven months in which Federal price control activities were carried out under executive orders of President Roosevelt was announced on May 2 by OPA Administrator Leon Henderson. From the announcement we quote:

> The digest—a 127-page booklet "Federal Price Control"—covers the period from July 1, 1940, when Mr. Henderson was acting as Price Stabilization Commissioner in the National Defense Advisory Commission, up to Feb. 11, 1942, when he took the oath of office as Price Administrator under the Emergency Price Control Act of 1942.
>
> Subject matter in the booklet is grouped by commodities—ranging from "abrasives" to "zinc"—with separate sections listing addresses and statements by Mr. Henderson and other officials, appointments, "freeze" letters, and price schedules. In each case a digest of the subject of the announcement is given together with the code number of the press release and the date of issuance. While the preponderance of the digest's contents deals with price control, the releases and announcements concerning automobile, tire, and sugar rationing also are summarized.
>
> The booklet is being placed on general sale by the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents per copy.

March Exchange Sales: Market Value Up 24%

The Securities and Exchange Commisison announced on April 25 that the market value of total sales on all registered securities exchanges for March, 1942, amounted to $478,232,603, an increase of 23.9% over the market value of total sales for February, and a decrease of 4.8% from the value of total sales for March, 1941. Stock sales, excluding right and warrant sales, had a market value of $341,211,361, an increase of 15.1% over February. Bond sales were valued at $137,003,086, an increase of 53.2% over February. The value of right and warrant sales totaled $18,156, involving 62,112 units.

The Commission further reported:

> The volume of stock sales, excluding right and warrant sales, was 16,329,144 shares, an increase of 16.8% over February. Total principal amount of bond sales was $306,812,100, an increase of 72.0% over February.
>
> The two New York exchanges accounted for 93.4% of the market value of total sales, 90.8% of the market value of stock sales, and 99.8% of the market value of bond sales on all registered securities exchanges.
>
> The market value of total sales on all exempted securities exchanges for March, 1942, was $505,204.

Urge Buying War Bonds From Current Income

President Roosevelt urged the people on April 28 to invest current earnings in war bonds and stamps rather than buy them out of savings accounts or other reserves. He told his press conference that money in a savings account was probably serving a useful purpose.

In a radio program launching the Treasury's campaign for increased bond purchases, Secretary Morgenthau said on April 23 that an army of 50,000,000 war-bond buyers must be enlisted and must voluntarily put at least 10% of their earnings into the securities.

The Treasury at the same time announced the quotas for each State and Territory. The national quota for May was set at $600,000,000 while in June it will be raised to $800,000,000 and in July to $1,000,000,000. The monthly average of sales for the seven months ending last January was $437,951,243.

The May quotas range from $580,600 for Nevada to $125,000,000 for New York.

The intensified war-bond drive will begin on May 1 when thousands of volunteer "Minute Men," operating under the direction of 108,044 War Bond Committeemen, will seek pledges from all wage-earners for setting aside 10% of their income.

Plans for the campaign were noted in these columns April 23, page 1617.

House Group Tables Labor-Profit Curbs Bill

The House Naval Affairs Committee on April 30 by a vote of 13 to 12 tabled the bill to limit war profits, increase the basic work week from 40 to 48 hours and freeze existing open and closed shops for the duration. Chairman Vinson (Dem., Ga.), who was sponsor of the measure, said that the action means that such legislation is probably dead for this Congress.

The motion to table the measure was made by Representative Bradley (Dem., Pa.), whose second move to reconsider the tabling motion was defeated 16 to 9.

This concluded more than two months' study of the labor-profits control question by the House Committee.

Farm Bloc Opposing Parily Price Ceiling

Senator Bankhead (Dem., Ala.), a leader of the farm bloc, said on May 3 that President Roosevelt's proposal that Congress make parity the level at which price ceilings could be applied to farm products would not be approved in the Senate. Mr. Bankhead said that a poll of Senate sentiment on price policy showed that it could not win adding that he doubted whether anyone in the Senate will make any serious effort to alter them.

In his message to Congress on April 27, outlining a seven-point program to control the high cost of living, the President requested revision of the Price Control Act so that the level on which price controls could be placed on farm products would be reduced from the present 110% to 100% (referred in these columns April 30, page 1708).

Following the submission of this plan, Secretary of Agriculture Wickard issued a statement saying that farmers have "everything to gain and nothing to lose" and predicted that they "would be glad" to see the change to the President's farm price policy.

Several farm State Senators took issue with Mr. Wickard's indorsement of the parity ceilings. Senator Smith (Dem., S. C.), Chairman of the Senate Agriculture Committee, had this comment to make:

> "They are trying to shove us into socialistic Communism but I'm not going. We're still in America."

Other Senators and Edward O'Neil, President of the American Farm Bureau Federation, said that Mr. Wickard was badly mistaken if he believed farmers wanted ceilings on agricultural prices to become effective at 100% of parity, instead of 110%, and to allow unrestricted sales of Government farm stocks.

Senator Smith on April 30 took the first active step of the farm bloc to offset the President's farm price program, when he introduced a bill to require a one-year extension of loans on 1941 cotton, wheat and corn stocks. Senator Thomas (Dem., Okla.), a farm bloc leader, who has been chosen to head the move to defeat Administration's proposal said that Mr. Smith's bill would prevent the Commodity Credit Corp. from selling any controlled stocks except on specific authority from the holder of the note.

Hearings on the farm price question are expected to get under way today (May 7) with spokesmen for various farm organizations giving their views at a special conference called by the Senate Agriculture Committee.

Newsprint Ceiling $50 Ton

The Office of Price Administration announced on April 29 that standard newsprint prices will remain at $50 per ton during the first half of 1942 under the new maximum price regulation, effective May 11. The new ceiling on this product replaces a temporary order which established the maximum prices at the $50 level. Price Administrator Henderson said that the ceiling would not preclude further discussions between OPA and Canada concerning the Dominion mills request for a higher price. Last December, it was explained, these mills sought an increase of $3 per ton in the price of newsprint for export to the United States. Discussions will continue to determine whether or not a higher maximum price should be permitted in the last half of this year.

Previous reference to the newsprint ceiling was noted in these columns April 2, page 1348.

President Calls For Sacrifice And Unity

In a message to the 51st Continental Congress of the Daughters of the American Revolution, held in Chicago on May 4, President Roosevelt said that the men in uniform have set "an example of sacrifice, of unity, of singleness of purpose that we on the home front must emulate if the Nation is to survive." The President also cited a unity message written by Thomas Jefferson in 1809.

The President's message follows:

> During times of peace there are intervals when it seems difficult to keep alive the outward manifestations of patriotism. As a result we sometimes wonder whether the new generation has forgotten the sacrifices and heroism of our forefathers, whether the inheritors of this America are confused in purpose and soft in deeds.
>
> The war is now five months old and we have had our answer. Two million men have been called to arms. In far places and near, our soldiers, our sailors, our air pilots, the beleaguered men of the Merchant Marine, have shown the stuff of heroes. Everything we have asked of them they have delivered. Everything — and more. There was no confusion of purpose, no softness in deeds, in Bataan. There were heroes at Wake Island and Pearl Harbor and in the rice paddies of Java.
>
> Our men in uniform have proved worthy of America. Now it is up to us at home to prove worthy of them. They have set us an example of sacrifice, of unity, of singleness of purpose that we on the home front must emulate if the Nation is to survive.
>
> There is a message that I wish every delegate to the 51st Continental Congress of the Daughters of the American Revolution would carry home with her, carry home to her townsmen, her friends, her neighbors. It is in the words of Thomas Jefferson. One hundred and thirty-three years ago Jefferson wrote:
>
> "The times do certainly render it incumbent on all good citizens, attached to the rights and honor of their country, to bury in oblivion all internal differences and rally around the standard of their country."
>
> Very sincerely yours,
> FRANKLIN D. ROOSEVELT.

NAM Pres. Urges Equality For Women In War Jobs

"Equal pay for equal performance by women in war production factories," was advocated on May 1 by William P. Witherow, President of the National Association of Manufacturers. Basing his recommendations on the findings of manufacturers and industrial relations experts who have been conducting a series of clinics throughout the country during the past month, Mr. Witherow called upon manufacturers to adopt a "sound approach" to the employment of women in war jobs.

"Women can satisfactorily fill all or most jobs performed by men, subject only to the limitations of strength and physical requirements," the NAM President declared. "Various governmental agencies have prophesied that as many as 4,000,000 women may be employed by the end of 1943. Hence, the problem is of immediate importance."

The NAM President urged manufacturers to recognize that women, while able to fill most men's jobs, should not be assigned to duties "which by nature are particularly dirty, dusty, hot or wet. Jobs not desirable for women should not be performed by women until after other more suitable jobs have been filled." In the matter of wage policies, Mr. Witherow said:

> "In effectuating the policy of 'equal pay for equal performance by women,' it is essential that consideration be given to methods whereby equal work may be measured. Industry should give thought to the wider use of such techniques as job analysis and evaluation to determine the precise nature of the job and the elements comprising it."

President Asks Funds For CCC And NYA

President Roosevelt on May 4 asked Congress to appropriate $102,150,000 for the Civilian Conservation Corps and the National Youth Administration for the 1943 fiscal year. This estimate of funds needed by the two agencies compares with a total of $397,857,000 provided for the current fiscal year and is about $50,000,000 below the amount estimated by the President in his January budget message. In his message to Congress, the President said:

> In my budget message in January of this year, I estimated $100,000,000 for these two agencies in the ensuing fiscal year, exclusive of the $50,000,000 for defense training, but indicated that the total amount might not be needed. It will be noted that the total of these two estimates is $102,150,000, including approximately $50,000,000 for defense training.

He also pointed out in his letter that "these estimates represent definitely war-time activities. The protection and conservation of forest and other resources which are subject to sudden and violent destruction is the main purpose of the small nucleus of CCC camps provided in this estimate. The training of approximately 400,000 youths for war industry is the objective set for the National Youth Administration."

The President requested $49,101,000 for the CCC camps and $53,049,000 for the NYA.

There was a move on in the Senate in March to abolish these agencies, but the President indicated his disapproval of the pending bill, but further action has since been withheld (as reported in our issue of March 26, p. 1261).

Cleveland And Other Papers Raise Price

Additional price increases by newspapers because of mounting costs of production and distribution were recently announced by papers in Kansas City (Mo.), Syracuse and Cleveland. The weekly circulation rate of the Kansas City "Star" and "Times" was increased from 15 cents to 20 cents, while street sale rates were raised from two cents to three cents on weekdays and from five cents to 10 cents on Sundays.

The Syracuse "Morning Post-Standard" increased its price per single copy from three cents to four cents and its weekly carrier rate from 18 cents to 24 cents. The mail subscription rate was advanced from $5 to $6 per year.

The Syracuse "Evening Herald-Journal" has raised its price for carrier-delivered copies from 20 cents to 24 cents a week. The single copy price of five cents remains unchanged.

In Cleveland the three major daily newspapers, "The News," "Plain Dealer" and "Press" increased their three-cent daily editions to four cents, with six-day home delivery advancing four cents to 22 cents. The "Plain Dealer," only paper with Sunday editions, raised its 10-cent price to 12 cents.

The last reference to price increases in daily papers appeared in these columns April 23, p. 1640.

Savs. & Loan Ass'ns Assets Grow In 1941

Forty-nine savings, building, and loan associations, members of the United States Savings and Loan League, gained more than $1,000,000 each in resources during 1941, the League reported on May 2. Ten of them increased more than $2,000,000 each and one $3,000,000 and one $4,000,000 net gain were reported. This was the largest number of associations to gain a million dollars in one year since before the depression, H. F. Cellarius, Secretary-Treasurer of the League, pointed out, being five more than in 1940. The League's announcement stated:

> The statistics are from the group of 162 member institutions which had more than $5,000,000 in resources as of Dec. 31, 1941. Of these, 15 associations had more than $20,000,000 in resources and 49 had over $10,000,000 as the year began. Altogether 132 of these 162 registered growth in assets last year. All the over $5,000,000 associations closed the year with combined resources of $1,543,728,660, approximately 8% more than at the beginning of 1941.
>
> The million dollar gains were made by associations in the District of Columbia, Rhode Island, Connecticut, Massachusetts, New York, New Jersey, Maryland, North Carolina, Florida, Ohio, Michigan, Illinois, Minnesota, Iowa, Missouri, Oklahoma, Washington State and California, showing the Nationwide character of the savings and loan expansion last year.

Hasler Heads NY State Chamber of Commerce

Frederick E. Hasler, Chairman of the Board of the Continental Bank & Trust Co., New York City, has been nominated for President of the Chamber of Commerce of the State of New York to succeed Percy H. Johnston, who has served two terms and therefore is ineligible for reelection, it was announced on May 3. Mr. Hasler, who is now a Vice-President of the Chamber, is also President of the Pan American Society.

Roy E. Tomlinson, President of the National Biscuit Co.; Andrew W. Robertson, Chairman of Westinghouse Electric Manufacturing Co., and Frederick E. Williamson, President of New York Central Lines, were nominated for Vice-Presidents for four-year terms. General James G. Harbord, Chairman of Radio Corp. of America, and Howard C. Smith, Trustee of the Franklin Savings Bank, were named for Vice-Presidents for three-year terms to fill existing vacancies.

For the office of Treasurer to succeed Leon Fraser, the Chamber nominated William S. Gray, Jr., President of the Central Hanover Bank & Trust Co. Mr. Gray has been Chairman of the Committee on Finance and Currency of the Chamber for the last two years. William B. Scarborough was again named for Assistant Treasurer.

H. Boardman Spalding, Chairman of the Executive Committee; Colonel Charles T. Gwynne, Executive Vice-President and dean of Chamber of Commerce executives in the United States, and B. Colwell Davis, Secretary, were renominated. Thomas I. Parkinson, President of the Equitable Life Assurance Society of the United States, is Chairman of the committee which made the nominations. Other members of the committee are Thomas Blagden, H. Donald Campbell, L. O. Head, H. Hobard Porter, Frederick R. Pratt and Clyde S. Stilwell. The annual election will be held today (May 7).

Coal Stocks Up April 1

Stocks of bituminous coal held by industrial consumers and retail dealers on April 1, 1942, stood at 57,201,000 net tons, as against 56,885,000 net tons on March 1, 1942, a gain of 0.6%, according to the Bituminous Coal Division of the U. S. Department of the Interior. Coal-gas retorts, byproduct coke ovens and retail dealers showed decreases in stocks, while the other classes of consumers showed increases.

Industrial consumption increases from 35,091,000 net tons during February to 36,458,000 net tons during March, a gain of 3.9%, and retail dealer deliveries decreased to 10,090,000 net tons in March, as compared with 11,990,000 net tons in February, or 15.8%. Reserves of bituminous coal increased from 34 to 38 days supply during the month ended March 31, 1942.

Stocks of bituminous coal in cars, unbilled at the mines, or in classification yards at April 1, 1942, totaled 864,700 net tons, as against 866,650 tons on March 1, 1942, a decline of 0.2%, while stocks of anthracite advanced 25.9%, or from 265,550 net tons at March 1 to 334,250 tons at April 1. Stocks of both anthracite and bituminous coal decreased on the upper lake docks.

Stocks of industrial anthracite increased from 1,148,671 net tons on March 1 to 1,170,580 tons at April 1, or 1.9%, at electric power utilities, and from 344,150 tons to 359,543 tons, or 4.5% at other industrial consumers, while stocks at Class I railroads declined 5.3%, or from 169,905 net tons at March 1 to 160,940 tons at April 1. During the same period, consumption increased 3.1% and 52.6% at electric power utilities and Class I railroads, respectively, and declined at other industrial consumers 0.8%.

Lend-Lease Farm Product Deliveries to April 1

The Department of Agriculture announced on May 4 that up to April 1, 1942, farm products costing $524,500,000 have been delivered to representatives of the United Nations for Lend-Lease shipment. Total volume of the commodities bought by the Agricultural Marketing Administration and delivered at shipping points since the program began in April, 1941, approximates 4,350,000,000 pounds.

The announcement of the Department also had the following to say:

> Commodities costing close to $55,470,000 and weighing 285,000,000 pounds were delivered during March. During this month there was an increase in the deliveries of such items as dried eggs and meat products and concentrated foods of high value. Smaller deliveries were made of grain and cereals, bulky foods of relatively low cost per pound. The per unit cost of all commodities delivered in March for shipment averaged 19.4c per pound as compared with 16.5c a pound for the February deliveries. During February 309,000,000 pounds were delivered, at a cost of $52,000,000.
>
> High up among the commodity groups delivered, with cumulative values up to April 1, 1942, were: dairy products and eggs, $169,708,980; meat, fish and fowl, $142,022,393; fruits, vegetables and nuts, $48,658,112; lards, fats and oils, $39,132,785 and grain and cereal products, $24,620,850. Purchases for other foodstuffs totaled $3,611,426 and $96,712,972 was spent for non-foodstuffs. A large proportion of the non-food agricultural supplies—including cotton, tobacco, and naval stores—was made available for Lend-Lease operations by the Commodity Credit Corporation.

OPA Freezes Ceilings On Cotton Goods & Yarns

Federal Price Administrator Leon Henderson on April 29 "froze" the ceiling price at which manufacturers and wholesalers may sell virtually all types of cotton goods and cotton yarns.

Supplementing the general maximum price regulation, announced April 28, the new order fixed the previous sliding-scale textile ceilings on the basis of a "spot" cotton price of 20.37 cents a pound. This represents the highest quotation registered for actual cotton sold at the 10 leading Southern terminal markets during March.

Mr. Henderson explained that if objectives of the overall ceiling are to be reached "it is evident that cotton yarns and textiles must not be allowed to advance beyond the highest prices attained in March." The OPA said that the action was designed to prevent wholesale prices from creeping up on retail prices. Under the former "sliding scale" price plan, prices on cotton goods and yarns rose and fell in line with price changes of "spot" cotton.

In pegging the price Mr. Henderson asserted that "the essential point to be observed here is that the ceilings now being imposed on cotton textiles are amply high to permit raw cotton prices to rise above any levels specified" in the agricultural section of the Emergency Price Control Act.

With respect to this ceiling, the OPA issued on April 30 a statement as to the considerations on which it based its action, explaining that there is no reason to fear that the cotton textile industry cannot absorb a further limited increase in cotton cost without earning less than reasonable profits. The statement said:

> The industry's manufacturing margins are wide. Such margins have not been impaired to a negligible extent by changes in costs of manufacturing. Mills were making fair profits in 1939 and 1940, and considerably greater profits in 1941. Finally, on an individual fabric and construction basis, mill profits appear to contain considerable "water" and can be appreciably reduced without harm to the mills.

U. S., Nicaragua Agree On Joint Defense Plan

The State Department at Washington announced on April 25 that the United States and Nicaragua have agreed upon a six-point joint defense plan. As outlined by the Department, it provides, according to Washington advices to the New York "Herald Tribune":

> The United States will bear two-thirds of the cost of completing construction of the Nicaraguan section of the inter-American highway.
>
> The Export-Import Bank will extend credit up to $500,000 to the National Bank of Nicaragua.
>
> The United States will make every effort to assist essential industries in Nicaragua through priorities on supplies and equipment, so far as the materials may be available.
>
> The United States will cooperate in the construction of a highway joining the Atlantic and Pacific coasts of Nicaragua.
>
> Nicaragua will make available to the United States all the crude rubber produced there for export.
>
> The United States Department of Agriculture will send experts to Nicaragua to assist in establishing a demonstration station for the purpose of increasing Nicaraguan agricultural production, particularly of rubber and abaca.

The agreement it is stated was negotiated for Nicaragua by Dr. Mariano Arguello, Nicaraguan Minister of Foreign Affairs, and Dr. Jesus Sanches, President of the National Bank of Nicaragua.

Canadian Fund For Food Price Subsidy

The setting aside by the Canadian Government of $50,000,000 to subsidize the cost of living in order to guarantee consumers that prices will not rise above the fixed levels in effect for the last five months was made known in special Ottawa advices April 29 to the Baltimore "Sun" of April 30, which in part said:

> It [the Government] has already paid out $2,125,000, of which $1,387,000 went to maintain the price of milk at a low level during the last winter and $584,000 was paid to manufacturers of shoes.
>
> The Canadian price ceiling policy has scored an initial success, as the official cost of living index plainly proves. The cost of living has not risen in the last five months. In fact, it has dropped a little.
>
> Before the price ceiling was established last Dec. 1, making it illegal for prices to be charged above the levels of last September-October, the cost of living had been spurting ahead almost at the rate of a point a month.
>
> The safety valve of the policy was the promise to subsidize production of any essential article that could not otherwise be produced for sale under the frozen price level.
>
> The case of milk was the first important instance where production would have been seriously impaired without government assistance, since production costs are normally higher in winter and the dairy farmer was forbidden to pass on his higher costs to the consumer as he usually did by raising the price during winter months.

No one in Canada knows whether $50,000,000 will cover the cost of all subsidies that will be needed. With somewhat similar policy, the British Government last year spent $600,000,000 in subsidizing food prices.

Toughest problem is to decide what to do about imported goods. Canada normally imports heavy shipments of goods of all kinds from the United States, but the price level in the United States has been steadily rising since the Canadian ceiling was established.

Dozens of cases have arisen where costs of production are too high in the United States to sell the products in Canada without some form of special assistance. The Canadian Government's agent in handling problems of this kind is the government-owned company, Commodity Prices Stabilization Corporation.

It has scaled down tariffs in special instances to assist importers. It has even eliminated tariffs altogether in others. In a few cases, it has become the importer itself, buying the entire Canadian requirement in order to resell at a loss to Canadian distributors. Finally, it has decided whether or not a subsidy is justified.

* * *

Canadians are keenly interested in news of price control action in the United States. If the Roosevelt Government adopted a general price-ceiling policy, the whole question of subsidizing imports of American origin would be simplified. As long as American prices soar at the rate of two or three points a month, one after another common articles of import in Canada will no longer be able to enter the Canadian market.

A few cases have already appeared in which United States exporters are selling at lower prices in Canada than in the United States in order to hold the market.

Inevitably goods that are not regarded as essential will disappear from the market if production costs rise so high that they cannot be sold profitably at ceiling prices. The Canadian producer has an advantage, since his production costs, such as wages, are all frozen.

* * *

The entire pack of canned fruits and vegetables in Canada had to be subsidized, since production costs went up so rapidly that the whole business might have been ruined if it had been compelled to operate under prices fixed at 1941 fall levels.

In the same way, footwear manufacturers faced a 15% rise in production costs that they could not recoup because of the ceiling policy, and they had to be subsidized. The government is actually paying 7%, while the manufacturers, wholesalers and retailers absorb the remaining 8%.

Treasury Not Seeking Silver Acts Repeal

Assurances that the Treasury does not plan to seek the repeal of the Silver Purchase Acts were said to have been given Western Senators by Secretary of the Treasury Morgenthau at Washington on April 29. The informal meeting of the Senators held with Mr. Morgenthau was called, it is stated, by Senator McCarran (D.) of Nevada, and was an outgrowth of a recent gathering of silver State Senators opposed to Silver Purchase laws repeal.

According to Associated Press advices from Washington, April 29, Senator Milliken (R.) of Colorado, stated that at the gathering referred to, it was decided to call the Treasury Secretary before making definite opposition plans, to ascertain just how far opponents of the acts had gone and whether they intend to introduce legislation seeking repeal. Indicating that Mr. Morgenthau also told the informal meeting that he knew of no move for repeal, the Associated Press said:

> Senator Milliken said after the session at which eight States represented, that, the announcement came as a distinct relief to Western Senators opposed to repeal.
>
> While Mr. Morgenthau reaffirmed his stand against the silver purchase legislation, the Coloradoan said, he gave assurance that no steps to repeal it were contemplated by the Treasury.
>
> To a question by Senator Millikin as to whether the Treasury planned to sell silver instead of leasing it under a recently announced program of making the metal available for use in war plants, the Senator said Mr. Morgenthau gave a flat negative, explaining that the law permitted leasing only, with minor exceptions.
>
> The Senator observed that in light of today's statement by Mr. Morgenthau, further action now appeared unnecessary.
>
> Today's meeting was attended by Senators McCarran, Millikin, Wheeler (Dem., Mont.) and Murray (Dem., Mont.), Clark (Dem., Idaho), Thomas (Rep., Idaho), Murdock (Dem., Utah), Downey (Dem., Calif.), Thomas (Dem., Okla.), and Shipstead (Rep., Minn.).
>
> Mr. Millikin explained it was not a meeting of the Senate special Silver Committee, of which Senator Thomas of Oklahoma is chairman. That committee is to meet May 5 to hold hearings on the effect of recent War Production Board orders restricting priorities of mines with more than 30% of their dollar output in gold and silver.
>
> Senator Thomas already has said that opponents of the Silver Purchase Acts would be given opoprtunity to appear at those hearings.

The Silver Purchase Act became law June 19, 1934, and a domestic Silver Purchase law followed on July 6, 1939.

WPB To Plan Power Supply For War Needs

The War Production Board and the Federal Power Commission have reached an agreement uniting the efforts of the two agencies in meeting and handling war-time power problems, the White House revealed on April 29. An announcement said that the agreement, approved by President Roosevelt, "clearly defines the respective responsibilities of the two agencies for the purpose of securing maximum efficiency and the avoidance of duplication in the administration of the war-time power program."

With respect to the accord, United Press advices said:

> Essentially, the agreement provides that the WPB shall have authority over power-supply functions relating to war production and essential civilian activities, while the FPC will be responsible for long-range power problems, certain peace-time activities and the protection of power supply against hostile acts.
>
> One of the most significant responsibilities vested in the WPB is "the planning, development and administration of power-supply allocation programs for those regions where the available supply proves insufficient to meet all requirements."
>
> The WPB also is given the "exclusive responsibility" for:
>
> Developing and administering programs assuring that equipment and materials necessary for power supply purposes are allocated to areas where and when "the need is most urgent from the standpoint of the military and war production program, keeping in mind the minimum dislocation of civilian supply." This includes priority control and allocations of materials and equipment for all power systems—public and private.
>
> Scheduling power supply requirements for war purposes and essential civilian activities.
>
> Mobilizing power to meet specific war productions activities.
>
> The FPC may offer advice and counsel on such activities.
>
> Under the agreement, the FPC at the request of the WPB, will make its staff members available to the war agency for the duration. The FPC will make available all studies and compilations in pursuance of its functions, such as monthly reports on power system capacities and loads by power supply areas. The commission also will make additional studies requested by the WPB when such activities do not interfere with the statutory functions of the FPC.

Cuba To Issue Silver Ctfs.

The Cuban House of Representatives on April 30 approved a bill giving President Fulgencio Batista authority for a new issue of silver certificates. Since the Senate passed the measure on Feb. 28 only the President's signature is needed to make it a law.

From Havana wireless advices to the New York "Times," the following is learned:

> While the law sets no limit, it is understood in political circles that the administration plans to issue $20,000,000 of notes to be guaranteed by a reserve of gold to be purchased by the government or by American dollars now in the hands of the government.

Cotton Production in 1941

The Crop Reporting Board estimates the area of cotton in cultivation in the United States on July 1, 1941 to have been 23,132,000 acres, the area harvested 22,238,000 acres, and the yield of lint cotton 231.9 pounds per harvested acre. The production in 1941 of 10,744,000 bales of 500 pounds gross weight was less than in 1940 by 1,822,000 bales or 14.5%, and was 18.9% below average production in the 10-year period 1930-39.

The estimates of planted and harvested acreage are in substantial agreement with the acreages measured by the Agricultural Adjustment Administration. The estimates of production represent the total ginnings enumerated by the Bureau of the Census, with allowance for interstate movements of seed cotton for ginning.

Calculated at the season average price of lint cotton sold through March 31, the value of total lint production of the 1941 crop is placed at $903,257,000. Included is the value of about 1,600,000 bales of loan cotton from the 1941 crop unredeemed on April 1. The value of cottonseed production is estimated at $228,158,000, bringing the total value of the 1941 cotton crop to $1,131,415,000. The total value of the 1940 crop at prices for the entire season, August 1 to July 31, is estimated at $742,958,000, of which $621,380,000 was the value of lint and $121,578,000, the value of cottonseed.

Forecasts of cotton production made by the Crop Reporting Board for the first of each month during the 1941 season, and comparison with final production are as follows: August, 10,817,000 bales, 0.7% above; September, 10,710,000 bales, 0.3% below; October, 11,061,000 bales, 3.0% above; November, 11,020,000 bales, 2.6% above; and December, 10,976,000 bales, 2.2% above final production.

The forecasts during the season are necessarily based upon indications at the time the reports are prepared, and upon the assumption that weather conditions after that time will be about average. During much of the 1941 season growing conditions were unfavorable in the Southeastern States, but were generally favorable in the Mississippi River delta and in western Texas and Oklahoma. The crop was unusually late in Texas, Oklahoma, and the Western States, however, and this situation, coupled with cool weather and more than normal rainfall during the late fall and winter months, resulted in considerable loss.

May Tire Quota More Recaps, Less New Ones

The Office of Price Administration announced on April 24 that a total of 633,665 new and recapped tires would be made available for rationing in May to passenger car owners.

This total compares with an April quota of about 572,000 tires. New tires available to vehicles on List A of the rationing regulations total only 55,573, but these eligibles will have first call on the 578,092 recapped tires, with the vehicles on List B receiving the remaining recaps. For the first time, some passenger cars and motor vehicles on the A list, those used in services deemed most essential to the nation's economy will be required to use recaps.

The OPA announced on April 30 that after May 1 no new tires will be granted in cases where recapped tires can be used instead.

Local ration boards were also directed to deny tire replacements after June 1 to anyone whose present tires become unusable "through abuse or neglect."

FDR Backs State Dept. In Dispute With BEW

President Roosevelt said on May 1 that the State Department still is handling the foreign affairs of the Government and that he plans to clarify a recent order giving the Board of Economic Warfare responsibility for acquiring foreign stocks of critical and strategic war materials. Telling his press conference that he had discussed the matter with Secretary of State Hull, the President remarked that the State Department was in charge of the foreign affairs of the country, adding that some people in other parts of the Government had not quite realized this.

Under the clarified order, the State Department will continue to handle all negotiations with foreign governments while the BEW will take care of the actual procurement of supplies.

The BEW is headed by Vice-President Wallace with Milo Perkins as Executive Director. The authority conferred on the Board to procure war materials was referred to in these columns April 23, page 1630.

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for March 31, 1942, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was $11,565,766,034, as against $11,484,515,871 on Feb. 28, 1942, and $8,923,765,478 on March 31, 1941, and comparing with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the World War, that is, on June 30, 1914, the total was only $3,459,434,174.

Sees Income Limit Bringing Other Evils

Opposition to some of President Roosevelt's proposed changes in the internal economy of the country (as proposed in his message to Congress, given on page 1708 of our April 30 issue), especially the income limitation, was expressed on April 29 by Percy C. Magnus, President of the New York Board of Trade, Inc. In urging members of the Board to wire their Congressmen, Mr. Magnus suggested that they urge that the practical way of syphoning off the people's excess earning power be through lowered income tax exemptions as well as by imposing sales taxes, payroll taxes and higher rates of direct taxation. He added that the proposal to limit incomes to $25,000, after taxes, is destructive of American philosophies of government and would bring other evils in its trail. Mr. Magnus says:

> The proposal to limit incomes to $25,000, after taxes, is destructive of American philosophies of government. If the Government took from every individual every cent of earning in excess of $25,000, the total would be only about $1,000,000,000. Under our existing income tax rates the Federal Treasury is now receiving more than half of this money. The remaining $500,000,000 would be insufficient to finance the war for a single week at our present rate of spending.
>
> But to take it all, as the President suggests, would violently disrupt our internal economy and bring other evils in its trail. There are hundreds of thousands of citizens whose business, and whose means of livelihood, would be cut off if the President's proposal should be adopted.

Says Sales Tax Offers Advantages In Wartime

In discussing the financing of the costs of the present war, at Des Moines, Iowa, on April 24, the statement was made by M. A. Linton, President of the Provident Mutual Life Insurance Co. of Philadelphia said that past experience has shown that all wars have been accompanied by an inflationary rise in prices. Drastic inflation is destructive, he pointed out, because it leads to chaos and social revolution which in turn paves the way for destruction of democratic institutions, loss of individual freedom, and the rise of the dictators. Defense of currency, therefore, he said, is one of the nation's most vital forms of defense. As a means of combating inflation, Mr. Linton stated that taxation was obviously the most direct. He felt that a sales tax, which is being discussed in many places, would accomplish three important things, namely:

1. Produce revenue promptly and effectively;
2. By increasing price of things bought, it would decrease the demand for them, which is desirable under present conditions; and
3. Help solve the problem of excess purchasing power of all groups and not merely of a small group, as does the income tax.

Mr. Linton added:

> One danger of a sales tax, is that the cost of living would be increased all along the line—and hence would be used as an argument for increased wages. "This would be extremely dangerous as it might easily set off the spiral of inflation: Higher prices, higher wages, higher cost of production resulting in further higher prices, and so on. Hence the wage situation must be kept under control if a sales tax is to work."

While a sales tax should not, of course, be a substitute for the income tax, he continued, there should be a proper balance between the two.

Mr. Linton, who spoke at a luncheon meeting of the Des Moines Chamber of Commerce also discussed the place of savings and life insurance, saying that "savings provide another method of avoiding inflation. A dollar saved and invested in a bond does not appear in the market place to buy consumer goods. The extensive program of the government to sell its bonds to individuals to be paid for out of income is intended to take up a large amount of optional spending power." He added:

> "Then, of course, the purchase of life insurance has very much the same effect as the direct investment in government bonds. The reserve elements in our premiums are invested in securities, and as time goes on they are bound to be invested to an ever-increasing extent in government bonds. The money is removed from the commodity markets and does not compete for consumers goods."

The speech was also heard by members of the Des Moines Association of Life Underwriters.

Sets Nat'l Maritime Day

President Roosevelt has proclaimed May 22 as National Maritime Day and calls upon the people to give public recognition "to the patriotism and courage of the officers and men of the cargo ships in the victory fleet, and to the men in the shipyards and factories whose labor and genius go into their construction."

On May 22, 1819, the steamship Savannah sailed from Savannah, Ga., on the first successful transoceanic voyage under steam power. Congress voted in 1933 that each year that date be designated as National Maritime Day.

Seized Alien Patents Not To Be Sold Now

Leo T. Crowley, Alien Property Custodian, stated on April 27 that his office intends to take possession of all enemy-owned or controlled patents and interests when they have substantial value. In testifying before the Senate Patents Committee, Mr. Crowley pointed out that he intends "to make them freely available to American industry" and added that it is not intended in general that any are to be sold at this time.

In regard to his remarks, the Associated Press accounts said:

> Mr. Crowley added that action will be taken in the near future to protect the public interest with respect to a great number of applications for patents which are now being prosecuted by patent attorneys for enemy owners.
>
> "The history of foreign domination over certain American businesses," Mr. Crowley said, "long antedates the last war when, as you will remember, strenuous efforts were made to break these controls. During the last war the Alien Property Custodian seized about 17,000 enemy-owned patents and copyrights.
>
> "Many of these were sold under arrangements which were designed to insure the permanent exclusion of detrimental and hostile alien control, but through the years alien interests have gradually regained a substantial degree of influence."
>
> Mr. Crowley testified at hearings on legislation to permit Government seizure of patents needed for war production. He told the Committee that a good start has been made through anti-trust proceedings in making enemy controlled processes available to domestic manufacturers, but added that "there are many situations which anti-trust action cannot reach or which can be more effectively handled in other ways."

In our issue of April 30, page 1711 it was noted that President Roosevelt on April 21, had directed Mr. Crowley, as Alien Property Custodian to take over all patents controlled by the enemy, in order to make them available for the United Nations war purposes.

Wage-Hour Div. Gives Stand On War Problems

The enforcement policy which is being followed by the Wage and Hour Division of the Department of Labor in dealing with several of the more important war problems which have arisen under the Fair Labor Standard Act as a result of the war emergency were outlined on April 27 by Administrator L. Metcalfe Walling.

The Division has ruled that the time spent in shelters during blackouts or air raid alarms is not to be counted as hours worked if the employee performs no activity for the employer during this period.

With regard to the policy on other problems, United Press Washington advices said:

> 1. Overtime must be paid to a worker whose volunteer services as a plant watchman or in air raid protection duty keep him engaged to one employer beyond the 40-hour basic work week.
>
> 2. A person performing any duties during an air raid alarm or a blackout, such as standing by a sand bucket or acting as a spotter, must be paid during the period involved.
>
> 3. Time spent by employes at war plant air raid protection programs, which they attend voluntarily after regular working hours, will not be considered ordinarily as hours worked.
>
> 4. Employes must be compensated for work done at a plant even though the complete output for a given day is donated to the Red Cross. The exception is in cases where the Red Cross actually supervises production.
>
> 5. Workers may contribute to the Government whatever part of their wages they desire.
>
> 6. Employees may not waive overtime pay but may accept part of the wages due them in war bonds or stamps.

As to donations by employes to the Federal Government, referred to in paragraph 5 above, the Department's announcement reads:

> The Act requires that employees subject to its provisions be paid time-and-one-half their regular rate of pay for all hours worked in excess of 40 in any work-week. Even though employees may wish to donate their wages for part of these hours, they are still working for their employer during those hours, and if their total hours worked for the week exceed 40, their employer must pay them overtime.
>
> But workers who wish to make donations of part of their wages to the Government may of course do so. For further information on this general subject of donations to the United States, the public is advised to communicate with the United States Treasury Department in Washington.

'Gas' Ration Cards Described By OPA

The cards by which nearly 10,000,000 passenger car owners in 17 Eastern States will make their gasoline purchases under rationing after May 15, were described on April 28 by the Office of Price Administration. The cards, as well as the application forms which some gasoline users will be asked to fill out, are being printed, and will be distributed to school registration sites throughout the rationed area before May 12, when registration begins.

Five different ration cards have been prepared, and owners of motor vehicles and inboard motorboats will receive at registration time the type of card for which they qualify. The cards are designated as "A," "B-1," "B-2," "B-3," and "X" cards and are intended to last users to whom they are issued through the 45-day period, from May 15 to July 1, in which the temporary plan announced on April 23 will be in effect. (Mentioned in our April 30 issue, page 1710).

Regarding the different cards, the OPA said:

> No application form whatever will be needed to obtain the "A," or basic allotment, card. Owners may receive one of these upon presentation of their car registration cards. The information which the registrar will fill in on the "A" card is that to be found on motor vehicle registration cards in most states — The owner's name, street address, city or post office and state, make (of car) body style, vehicle registration number, and state of registration.
>
> Across the bottom ot the "A" card are seven squares, each good for one "unit" of gasoline. The gallonage value of each unit will be announced before May 15. The holder of an "A" card may use up his "units" as fast as he wishes, but he is warned that he will not be eligible for another "A" card after his "units" are gone. The squares on the card will be punched, marked, or torn off by the service station attendant as purchases are made.
>
> Instructions issued with the "A" card, as well as those given with all the other cards, point out that after the registration dates only the local rationing boards can make adjustments, or issue different cards to registered gasoline users.
>
> The "B" cards resemble the "A" cards, except for the number of "unit" squares. The "B-1" card has 11 units; the "B-2" card, 15 units; and the "B-3" card 19 units. As in the case of the "A" cards the value of these units will be announced before rationing begins, and OPA announced that the value of "B" unit may vary from the value of "A" units.
>
> In applying for one of the "B" cards an owner must fill out at the time of registration the "B" application form, as well as present the registration card of the motor vehicle for which gasoline is needed.
>
> The information to go on the "B" application will show the applicant's need for more gasoline than he could obtain with an "A" card. Specifically it will ask for the exact nature of the applicant's work (gainful occupation). Other questions that must be answered are: "If you drive to work, what is the shortest mileage from your home to your regular place of work, or commuting point?" "How many miles do you drive each working day in carrying on your work (other than from home to work and back)?" "What is the total average daily mileage customarily driven in the car described above to get to and from work and to carry on work?" "Are you making every possible effort to reduce this mileage by using public transportation and by 'doubling-up' with your neighbors?"
>
> The applicant will certify that the gasoline obtained with the ration card issued on the basis of the application will be used solely in the motor vehicle described in the application and will not be used for any other purpose. The application form also quotes the U. S. Criminal Code making it a criminal offense, punishable by a maximum of 10 years' imprisonment, $10,000 fine, or both, to make a false statement in connection with the application.
>
> Noting the number of miles which the "B" card applicant states is necessary to meet his vocational requirements, the registrar at the time of registration will issue the "1," "2," or "3" card adequate to meet those needs.
>
> The applicant for an "X" card, which enitles the holder to whatever gasoline he needs "for essential use," must also fill out a form, an "X" application form. In it he will be asked to check the specific purposes for which the motor vehicle is to be used, and state that the vehicle will be used all or substantially all for such purposes.

Adv. Fed. To Convene

The 38th annual convention and exposition of the Advertising Federation of America will be held at the Hotel Commodore in New York City, June 21-24. The convention will deal with the urgent problems of wartime advertising and sales promotion. Speakers of national prominence in the fields of business, industry and Government will address the meeting's general sessions. This year's advertising exposition, it is said, will be more than a display of the services and products of commercial exhibitors, since 12 national associations in advertising and allied fields are planning educational, informative exhibits, each telling the complete and up-to-date story of its media and how to use it in the present wartime emergency. The headquarters of the Federation are at 330 West 42nd St., New York.

Says Insurance Will Survive War And After

Insurance will survive the war and its aftermath, Paul F. Jones, Illinois Director of Insurance, told the delegates to the convention of the insurance session of the United States Chamber of Commerce in Chicago on April 28.

Mr. Jones talked on insurance supervision under war conditions. He declared that the principle of insurance is both sound and enduring, and that the institution of insurance will survive the post-war era of all the warring nations. Speaking on the part that insurance companies are taking in assisting the Government in formulating its insurance programs for war industries and in keeping industry at its peak production, Mr. Jones said every branch of the business has indicated clearly that they are united in the effort to win the war. In part Mr. Jones also said:

> The responsibility for protection against damage which may be caused by bombing or other action of war has not yet been completely established but Congress has already created the War Damage Corporation and has authorized the RFC to finance that Corporation to the extent of a billion dollars. The insurance industry stands ready to cover these losses under suitable reinsurance contracts with the Federal Government, or they are prepared to give to the Government their experience and knowledge for the purpose of covering these risks for the Government. In any event, it is quite clear that these losses which American citizens must expect will soon be adequately and completely covered.
>
> The trend of supervision as the war progresses is not clear. We seem to be living in an era of paradox.
>
> In order to check inflation, we limit the things our dollars can buy in order to buy more with the dollars we have.
>
> In order to win our fight for freedom, we surrender our liberties, and willingly accept conscription, priorities and censorship.
>
> Since strikes may mean defeat and an end to the right to strike, labor surrenders its right to strike.
>
> And as a Nation, all of us regiment ourselves to fight and die because we covet peace and a life of freedom.

To Redeem HOLC 2¼s '44

A call for the payment on July 1 of $875,000,000 series G 2¼% bonds of the Home Owners' Loan Corporation was announced on May 1 by John H. Fahey, Commissioner of the Federal Home Loan Bank Administration, which directs the HOLC. The announcement states:

> The bonds have a maturity date of July 1, 1944, but are subject to call July 1, 1942. They must be presented for payment on or before the latter date to Federal Reserve banks or their branches, or to the United States Treasury in Washington, Mr. Fahey announced. With this action, the HOLC will have reduced by some $936,000,000 its liability for unmatured bonds since the close of its lending period in June, 1936. Outstanding unmatured bonds after July 1 will total about $2,109,000,000.
>
> The HOLC will have available with the Treasury about $300,000,000 obtained from repayments on HOLC loans and investments, made in accordance with the provisions of the Home Owners' Loan Act, as amended. After July 1, about $575,000,000 will be due the Treasury, which it is anticipated the HOLC will be able to pay back to the Treasury at the rate of about $20,000,000 a month.

OPA Price Order On Commodities, Services

As noted in our April 30 issue, page 1705, rigid government controls for the war's duration over retail and wholesale prices were announced on April 28 by Price Administrator Leon Henderson following President Roosevelt's call for decisive action to halt the swiftly mounting cost-of-living. As was indicated in our item, in a single sweeping order—the General Maximum Price Regulation—the Administrator set the highest prices charged in March, 1942, as an absolute ceiling over virtually everything that Americans eat, wear and use. The only exemptions are a limited list of food commodities. Supplementing the reference to the order in our issue of a week ago, we give the following with respect to the regulation, as made available by the OPA on April 28:

By its terms, the General Maximum Price Regulation requires that:

(1) Beginning May 18, retail prices, with a few exceptions, must not exceed the highest levels which each individual seller charged during March, 1942.

(2) Beginning May 11, manufacturer and wholesale prices and the prices for wholesale and industrial services must not exceed the highest March levels for each seller.

(3) Beginning July 1, no one may charge more for services sold at retail in conection with a commodity than he charged during March.

(4) Effective **immediately**, all retailers, wholesalers, manufacturers and sellers of services must preserve existing records of sales made during March for maximum pricing purposes when the ceiling goes into effect.

Other highlights of the general order include:

The requirement that every retail store must publicly display the ceiling prices for selected "cost-of-living" commodities on and after May 18;

Immediate licensing of all retailers and wholesalers, effective as of the date the ceiling applies to their articles or services; in other words each retailer should consider himself licensed as of May 18 and each wholesaler as of May 11. Later, wholesalers and retailers will be required to register in writing on forms which OPA will provide.

Commodities and Services Covered

The general regulation applies to prices at all levels—manufacturer, wholesale, and retail — of every commodity or product, domestic or imported, that is neither covered by a separate OPA regulation or specifically excluded. All services connected with commodities also come under the ceiling.

Prices on literally millions of articles of all sorts are, by the regulation, automatically controlled. Prices on relatively few products are exempt.

Among those controlled are prices of almost every processed food commodity — such as bread, cake, and bakery products; beef, pork and their products; sugar, fluid milk and cream sold at retail; ice cream; canned meats, soups, canned fruits and vegetables; canned frish and other canned seafoods; cereals; lard and shortening; coffee, tea, cocoa, salt, and spices. Also covered by the ceiling are all clothing, shoes, dry goods, and yard goods; soap in all forms; every kind of common fuel (even firewood); pipes, cigars, cigarettes, and prepared smoking and chewing tobacco; drugs, toiletries, and sundries; furniture and furnishings; appliances and equipment; and hardware and miscellaneous agricultural supplies.

Specifically mentioned in the regulation are "cost-of-living" items including those which are most significant in the budgets of average low-and-middle-income family groups. Ceiling prices on such items must be publicly displayed by retailers, thus giving consumers every possible assurance that they will not be charged more than the highest prices reached last March.

All of the existing OPA schedules and regulations issued over the past year continue in full force and effect. Those commodities covered by temporary 60-day regulations automatically will come within the provisions of the general ceiling regulation upon their expiration unless otherwise treated by separate orders.

The separate orders, issued simultaneously with the general regulation, impose maximum prices over a broad range of products of a nature requiring special pricing treatment. For the most part, these separate regulations set prices back beyond March, 1942 —in some cases back to the levels of last October.

In addition to the separate orders, there are several amendments intended for the most part to make outstanding regulations conform with provisions of the general order. One highly important series of amendments eliminates OPA's "sliding-scale" maximum prices for cotton yarns and textiles. By these amendments the maximum prices of all cotton textiles and yarns covered by OPA ceilings are fixed at the levels determined by the highest price quoted for raw cotton on 10 spot markets during March—20.37 cents a pound. Also issued with the general regulation was a supplementary order revoking seven temporary maximum price regulations, thus bringing the commodities involved under the new general regulation.

Exclusions

Commodities not covered by the regulation fall generally into three classifications:

1. Those that are exempt because of provisions of the Emergency Price Control Act of 1942 either (a) because they do not fall within the Act's definition of a "commodity"—this excludes advertising, newspapers, books, magazines, motion pictures, wages, common carrier and public utility rates, insurance, real estate, and professional fees; or (b) by reason of the Act's special treatment of agricultural commodities unless and until they attain a level reflecting a substantial premium over parity.

2. Commodities which do not have organized markets and for which it would be almost impossible to determine maximum prices either on the basis of previous sales or prices for comparable articles. Examples are: highly seasonal fresh vegetables, fresh fish and game, objects of art, and collectors' items.

3. Primary raw materials—such as timber and mineral ores—all prices for which are substantially controlled by ceilings already in effect at certain levels.

Administrator Henderson explained that many of the commodities which are left free of price regulation at the present time will be covered in the future by supplementary orders. Among other things, he said, it is planned to set maximum prices for certain agricultural products as soon as such action is consistent with present or future legislation.

The announcement also pointed out that companion orders paved the way for Federal control of rents in 302 defense areas in 46 States and Puerto Rico, housing more than 76,000,000 persons, and set separate ceilings for a broad range of commodities and products.

Committee Favors 94% Excess Profit Levy

(Continued from First Page)

tion would not be subject to normal and surtaxes as at present.

The present normal corporation tax is graduated as follows:

Net income of less than $25,000, first $5,000, 15%; $5,000 to $20,000, 17%; $20,000 to $25,000, 19%; above $25,000, 24%. Continuation of these rates was voted by the Committee.

The present surtax is at the rate of 6% for corporations with net income of less than $25,000, 6% on the first $25,000 above that level, and 7% in the higher brackets.

On Monday, May 4, the Committee decided to retain the present capital stock tax, but voted to allow corporations to make annual declarations of stock value instead of the present three-year statements. The Committee also voted on May 4 to increase the present 6% surtax on corporations with incomes of not more than $25,000 to 10%. From the Associated Press advices, May 4, we quote:

> The members last Friday [May 1] agreed on a 16% surtax rate on corporate net incomes of $25,000 or more.
>
> Treasury statisticians said that the Committee's action to date, which includes a 94% excess profits flat tax, would yield an estimated $2,490,000,000 in additional revenue.
>
> Mr. Doughton said that the Committee did not change present rates on the capital stock and its related declared value excess profits taxes. The former is at the rate of $1.25 on each $1,000 of declared value. The latter is not applied until earnings exceed 10% of the stock's declared value, then imposes a 6.6% rate on earnings between 10% and 15% and a 13.2% rate above 15%.
>
> The present net yield of the two taxes is about $40,000,000, Representative Cooper, Democrat, of Tennessee said, and Treasury experts said the change to the annual declaration of value would produce about $75,000,000.
>
> They estimated that the Committee's action thus far would produce these results in corporation tax yield: Excess profits tax, $2,715,200,000 increase; surtax, $631,700,000 increase; normal tax, $746,500,000 decrease; declared value tax, $58,700,000 decrease; capital stock tax, $51,500,000 decrease; net increase, $2,490,200,000.

The drafting of the proposed tax bill, to raise $7,610,000,000 of additional revenue to finance the war, was begun by the House Committee following the conclusion on April 17 of its hearings on taxation proposals, referred to in these columns April 23, page 1630.

Jan. Gas Co. Statistics

The American Gas Association in April, 1942, reported that revenues of manufactured and natural gas utilities amounted to $106,345,100 in January, 1942, as compared with $91,602,700 for the corresponding month of 1941, an increase of 16.1%. Revenues from industrial and commercial users rose from $28,638,400 a year ago to $33,601,000 in January, 1942, a gain of 17.3%. Revenues from domestic uses such as cooking, water heating and refrigeration, etc., rose from $62,964,300 in 1941 to $72,744,100 in 1942, an increase of 15.5%.

The manufactured gas industry reported revenues of $38,679,900 for the month, an increase of 9.8% from the same month of the preceding year. Revenues for industrial purposes increased 17.0% while commercial revenues increased 8.5%. Revenues from domestic uses were 4.4% more than for the corresponding month of 1941, while revenues for house-heating purposes gained 26.2%.

The natural gas utilities reported revenues of $67,665,200 for the month, or 20.0% more than for January, 1941. Revenues from sales of natural gas for industrial purposes gained 15.1%, while revenues from sales for domestic purposes increased 20.7%.

March Motor Truck Freight Volume 11.9% Over 1941

Clearly indicating that tank trucks have been pressed into service to help fill the breach in gasoline transportation facilities caused by ship sinkings, the volume of petroleum handled by motor carriers in March skyrocketed almost 80% above the same month last year, according to reports compiled and released on April 26 by the American Trucking Associations.

The aggregate volume of all types of freight (including petroleum) transported by truck in March increased 9.3% over February, and 11.9% over March, 1941.

Comparable reports were received by ATA from 222 motor carriers in forty-two States. The reporting carriers transported an aggregate of 1,622,801 tons in March, as against 1,485,043 tons in February, and 1,450,657 tons in March, 1941.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 166.18. The index in February was 143.76.

Almost 85% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 9.3% over February, and held 13.8% over March of last year.

Transporters of petroleum products, accounting for a little more than 9% of the total tonnage reported, showed an increase of 18% over February, and an increase of 78.1% over March, 1941.

Continuing to drop sharply, movement of new automobiles and trucks constituted only 0.4% of the total tonnage reported. Tonnage in this class decreased 51.5% under February and 83.4% under March of last year.

Haulers of iron and steel products reported alomst 2½% of the total tonnage. The volume of these commodities showed a slight increase of 1.0% cent over February, but declined 41.9% under March, 1941.

A little more than 3% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, bricks, building materials, cement and household goods. Tonnage in this class increased 7.8% over February, but dropped 4.5% under March of last year.

Cotton Output Down

The 1941 world's cotton crop is tentatively estimated at 28,400,000 bales of 478 pounds each, compared with 30,400,000 bales in 1940, the United States Department of Agriculture said on April 23. This estimate is based on reports received from countries which normally produce around 97% of the world's cotton crop, including such important producers as the United States, India, Russia, Brazil, China and Egypt.

The Department further said:

> The decrease is attributed almost entirely to a reduction in the crops in the United States, Egypt and Brazil. Most of the minor producing countries had larger crops. The Uniited States and Egypt encouraged reductions in 1941 production as national policy. In many other exporting countries growers were encouraged either by higher prices or by government policy to increase their cotton acreage.

The 1941 production in the most important producing countries, compared with 1940 figures in parenthesis, are given by the Department (in bales) as follows: United States, 10,976,000 (12,566,000); India, 4,869,000 (4,841,000); China, 2,406,000 (2,354,000); Brazil, 2,300,000 (2,557,000); and Egypt, 1,671,000 (1,900,000).

Actual figures for the 1941 cotton crop in Russia are not available.

AAA Payments For 1942

Conforming with the Nation's wartime need for record production of essential crops and for a continuation of vitally needed soil conservation measures, new rates for parity payments and revised rates for conservation payments under the 1942 AAA program were announced by the U. S. Department of Agriculture on April 30. The payments said the Department are aimed, within limitations of available funds, to help farmers use land, labor and equipment as efficiently as possible to raise required supplies of the farm products this country and its allies must have to win the war. AAA officials point out that this year's payments, in effect, it is added are levers helping farmers convert from production of crops with big reserves to crops the country needs to increase quickly.

The Department's announcement further said:

> In 1942 parity payment rate to corn producers will be 11.1 cents per bushel; producers of cigar-filler and binder tobacco, types 42-44, 46, 51-55, will receive .7 cents per pound, and wheat producers 13.5 cents per bushel.
>
> There will be no 1942 parity payments on cotton, rice and most types of tobacco because the farmers' 1941 return, including conservation payments, on these commodities is at or above the parity level.
>
> Rates for 1942 conservation payments were tentatively determined last November on the basis of the $500,000,000 conservation fund authorized by the Agricultural Adjustment Act of 1938. Later, a reduction of $50,000,000 was made in the budget request to Congress. In line with this reduction, the conservation payments for 1942 are generally being revised downward. In addition, a further reduction is made in the rates for corn and flue-cured tobacco, because the 1942 allotments for these two crops have been increased 10% over the original figures announced last fall.
>
> The announcement does not include changes in the soil-building allowance rates or soil-building practice payment rates under the 1942 conservation program. Necessary changes in these rates will be made later when more adequate information becomes available concerning the extent of participation in this phase of the program.

Silver For War Plant Use

The Treasury Department on April 27 was reported to have completed arrangements with the Defense Plant Corporation to lend about 1,000,000,000 ounces of silver for use in war industries as a substitute for copper in "bus bars" in electrolytic plants. The Treasury had announced the plan on April 7, as indicated in our issue of April 16, page 1560, but the question of possible loss or theft of the silver is said to have had held up delivery because of the Defense Plant Corporation's insistence on prior settlement of liability for the metal. It is now reported that these difficulties have been overcome.

Non-Agricultural Employment Up Sharply In Mid-March, Labor Dept. Reports

Total civil nonagricultural employment increased by 303,000 from mid-February to mid-March, Secretary of Labor Frances Perkins reported on April 30. "The March total amounted to 40,298,000 and represented an increase of 2,537,000 since March, 1941," she said.

"The largest gain among the major industrial groups from February to March occurred in contract construction, the increase of 102,000 workers being traceable largely to Federal activities. The employment gain of 74,000 in manufacturing industries was less than the usual February-March increase, conversion of plant facilities to war production and restrictions on the use of critical materials offsetting to some extent the substantial gains in the war industries."

Secretary Perkins further reported:

Smaller gains were reported in transportation and public utilities (24,000), trade (21,000), and finance and service (14,000). Employment in the Federal, State, and local government services increased by 69,000, a substantial portion of this gain being registered in Government navy yards and arsenals. Employment in the mining group showed a decrease of 1,000 over the month due largely to reduced employment in crude petroleum producing and less-than-seasonal declines in coal mining.

The major factor in the expansion of nonagricultural employment over the year interval was the increase of 1,327,000 factory workers. Federal, State, and local Government showed an increase of 654,000 in this period, approximately one-fourth of which was in navy yards and arsenals. Transportation and public utilities increased 218,000, trade rose 129,000, and contract construction employment increased 116,000. The only group showing a decrease over the year was mining (5,000), the March 1942 levels of employment in anthracite mining and petroleum producing being slightly below the levels of March a year ago.

The rise in factory employment from February to March was about half that which usually occurs under normal peacetime conditions. The durable-goods industries showed an increase of 75,400 wage earners while nondurable goods reported a decrease of 2,200 wage earners. One of the chief factors retarding the rise in factory employment was a further recession in employment in the automobile industry, the March decrease of 9,700 representing the fourth consecutive monthly decline. Employment in automobile plants in March was 181,700 below that of March, 1941, and 194,900 below the 1941 peak reached in June.

Sharp employment increases were again shown in such strategic war industries as shipbuilding; aircraft; foundries and machine shops; electrical machinery; machine tools; machine-tool accessories, blast furnaces, steel works, and rolling mills; engines; turbines, etc.; firearms, explosives and ammunition. Among the nondurable-goods industries, slaughtering and meat packing, and book and job printing and publishing showed decreases of slightly more than the usual seasonal amount. Canning showed a substantial greater-than-seasonal decrease, a number of canning companies reporting reductions because of restrictions on tin. Contraseasonal decreases were reported by the furniture, hosiery, and carpet and rug industries, due to restrictions on the use of raw materials.

The increase in factory employment from February to March carried the index for all manufacturing to 134.5% of the 1923-25 average representing a rise of 12.2% over the year. Factory pay rolls advanced 2.1% over the month to 181.9% of the 1923-25 average, and the increase over the year amounted to 38.6%. The increase in working hours in many war industries to well above 48 hours per week, as well as the expansion of hours in other industries, overtime payments and wage-rate increases account for the greater proportionate gains in pay rolls than in employment over the past year.

Employment and pay rolls in retail trade showed less than the usual March increase. Substantial gains were reported by apparel and general merchandising stores. The effect of Government restrictions was reflected in the contraseasonal curtailment of 7.1% in the number of employees of automobile dealers and tire and battery shops. Retail-lumber and building-material dealers also reported a contraseasonal loss (1.5%), and dealers in household furniture, refrigerators, radios and other household electrical appliances reported 1.7% fewer employees. Employment in wholesale trade declined by the usual seasonal amount (0.3%) but pay rolls rose slightly. In the various public utilities employment changes were not significant with the exception of street railways and busses, in which the demand for additional transportation facilities resulted in a rise of approximately 1% in employment instead of the usual small March decrease.

Largest employment gains over the month took place in Nebraska and Washington, where nonagricultural employment increased by 8%. Since March of last year, employment has risen by 15% or more in 8 States, while only 1 State, Michigan, showed a decline. The States having the most rapid expansion in nonagricultural employment over the year were Washington (+27%), Arkansas (+24%), Alabama (+23%) and Oregon (+22%).

Construction programs financed wholly or partially from Federal funds required the services of 1,211,000 workers and $199,206,000 pay rolls in the month ending March 15, 1942. Only 218.000 of these workers were employed directly by the Federal Government; the rest were employees of contractors or subcontractors engaged in Government work. During March, the number of building-trades workers engaged on Federal construction projects increased 104,000 and pay rolls increased $6,924,000. Increases over the corresponding month a year ago were 408,000, or 51%, for employment and $84,599,000, or 74% for pay rolls. Roughly $22,395,000 of this pay roll increase was due to higher hourly earnings, which, including overtime premiums, increased during the year from an average of $0.892 to $1.005 an hour.

During March, civilian employment in the executive branch of the Federal Government reached a total of 1,889,000 persons requirinng $287,477,000 pay rolls. This constituted an increase over February of 83,600 employees and $25,370,000 pay rolls, and, over the corresponding month a year ago, of 687,000 employees and $103,233,000 pay rolls.

Employment and pay rolls have been rising at a slightly faster rate outside the District of Columbia than inside. During the past year, employment inside the District rose 43%, as compared with 59% outside. Corresponding percentage increases for pay rolls were 45 and 58 respectively. Twelve percent of the Federal employees were force-account workers whose period of employment will terminate at the completion of the construction project on which they are engaged.

Employment on work-relief programs of the Federal Government declined 103,000 persons during March and 1,438,000 during the past year. Total personnel on work-relief programs in March was 1,549,000 and total pay rolls were $75,374,000.

The Labor Department's announcement also had the following to report:

ESTIMATES OF TOTAL NONAGRICULTURAL EMPLOYMENT
(In Thousands)

	Mar., 1942 (Preliminary)	Feb., 1942	Change Feb., to Mar., 1942	Mar., 1941	Change Mar., 1941 to Mar., 1942
Total civil non-agricultural employment	40,298	39,995	+303	37,761	+2,537
Employees in non-agricul. establish.	34,155	33,852	+303	31,618	+2,537
Manufacturing	12,784	12,710	+ 74	11,457	+1,327
Mining	859	860	— 1	864	— 5
Contract construction	1,747	1,645	+102	1,631	+ 116
Transportation and public utilities	3,274	3,250	+ 24	3,056	+ 218
Trade	6,707	6,686	+ 21	6,578	+ 129
Finance, service and miscellaneous	4,195	4,181	+ 14	4,097	+ 98
Federal, State and local government	4,589	4,520	+ 69	3,935	+ 654

The estimates of "Total civil nonagricultural employment," given on the first line of the above table, represent the total number of persons engaged in gainful work in the United States in nonagricultural industries, excluding military and naval personnel, persons employed by WPA, or NYA projects, and enrollees in CCC camps. The series described as "Employees in nonagricultural establishments" excludes also proprietors and firm members, self-employed persons, casual workers and persons in domestic service. The estimates for "Employees in nonagricultural establishments" are shown separately for each of seven major industry groups. Data for the manufacturing and trade groups have been revised to include adjustments to preliminary 1939 Census data.

The figures represent the number of persons working at any time during the week ending nearest the middle of each month. The totals for the United States have been adjusted to conform to the figures shown by the 1930 Census of Occupations or the number of nonagricultural "gainful workers" less the number shown to have been employed for one week or more at the time of the Census.

Living Costs Advance In Large Cities 1.2% From Mid-February To Mid-March

The cost of living in large American cities rose 1.2% between mid-February and mid-March, as widespread price advances were reported in retail stores throughout the country, following earlier advances in the wholesale markets, Secretary of Labor Perkins reported on April 24. With this increase the Bureau of Labor Statistics' cost of living index reached 114.3% of the 1935-39 average.

Almost all important articles bought by moderate-income families were affected to some extent. Principal advances were for clothing, up nearly 4% during the month; for food, up 1.5%, and housefurnishings, up 1.3%.

The cost of services also advanced, and rents were up slightly.

By mid-March, families of wage earners and lower-salaried workers would have to spend $1.16 to buy the same things for which they spent $1.00 before the outbreak of the war in August, 1939.

The Secretary's announcement further said:

"**Food** — Retail prices of many foods rose between mid-February and mid-March. There were especially large increases in prices of vegetables, and substantially higher prices for lard and other shortening, coffee, tea, rice and rolled oats. Butter and eggs were seasonally lower, and prices of several fresh vegetables dropped as new supplies came on the market. During the first quarter of this year, the average food bill of wage earners and lower-salaried workers rose nearly 5%. It required $1.27, on the average, to buy the same food supplies in mid-March as could be bought for $1 in August 1939.

"**Clothing**—Clothing prices rose sharply. On the average, the clothing bill for moderate-income families increased almost 4% during the month. Increases were reported for almost all articles. Men's topcoats and wool suits showed the greatest rise, increasing, on the average, 9.3 and 7.0% respectively. In addition, substantially higher prices were reported for men's cotton work clothing and business shirts, women's cotton house dresses, and percale yard goods, all of which continued the rapid upward movement of the past year.

"**Housefurnishings** — Prices of housefurnishings went up, on the average, 1.3% in the month ending March 15. Prices of most electrical equipment increased slightly with washing machines up 1.3%, although sewing machine prices declined. Suites of furniture, stoves, sheets and mattresses continued to advance in price.

"**Rents**—The rental bill of moderate-income families increased only slightly in most of the cities surveyed this month. In Seattle, however, there were large advances, 3.3%, on the average, with increases reported for a third of the homes renting for less than $30, and for a large proportion of all other homes occupied by moderate-income families. In St. Louis, also, rents were raised for a large proportion of homes, with the result that there was a net advance of 1.6% between February and March in the total rental bill of this group. In Washington, D. C., a slight decline was reported between February and March, following a larger decrease in the preceding month, as a result of the Rent Control Law which went into effect in January of this year.

"**Fuel, Electricity and Ice** — In general there was little change in the cost of fuel, gas, electricity and ice. In Atlanta and Memphis, prices of ice rose considerably between February and March. In the preceding month there had been an increase in ice prices in Kansas City and between December and January in Savannah and Cincinnati. There was a considerable reduction in rates charged for gas in domestic use in New Orleans, effective late in March, but retroactive to September, 1941.

"**Miscellaneous**—In many cities, particularly those affected by war activities, there were increases in service charges, such as laundry and barber shop rates, motion picture admissions, hospital services, and auto repairs. Advances in prices for toilet and laundry soap and for household supplies made of paper were reported generally throughout the country. Newspaper prices were raised in six cities. In most of the cities surveyed, rates for automobile insurance are now higher than in December, 1941, the rise occurring early in 1942."

Urges Support for USO

Support for the United Service Organizations, which is dedicated to preserving the moral and spiritual values of the democratic ideals and freedoms, is called for by President Roosevelt in a letter to Harper Sibley, President of the U.S.O., made public April 23.

The President's letter was used in a memorandum from James A. Farley, chairman of the national corporations committee of the U.S.O., to business executives of the nation, urging them to support the U.S.O. war fund campaign for $32,000,000, which will open May 11. The President's letter follows:

Dear Mr. Sibley:

Not by machines alone will we win this war.

Unitedly, unstintingly and without interruption or delay, we have solemnly promised to give our men a mounting tide of guns, tanks, planes and ships.

We shall keep that promise, and one promise more—that we shall preserve for them, wherever they may be, and without regard to race, creed or color, the moral and spiritual values of the democratic ideals and freedoms for which they now are fighting.

Because the U.S.O. is unitedly dedicated to that high purpose, and because that high purpose is a vital part of the job of winning this war, the U.S.O. should be supported by everybody—cheerfully, generously and now.

FRANKLIN D. ROOSEVELT

U. S. To Buy Peru Cotton

The Department of Agriculture announced on April 24 that a "memorandium of understanding" has been entered into with Peru under which the Commodity Credit Corp. will purchase up to 200,000 bales of Peruvian cotton a year for the duration of the war. In return for action of the United States in purchasing this surplus cotton, now cut off from export because of the war, Peru will reduce the area planted to cotton and shift to other farm crops, particularly food needed by the United Nations. The C.C.C. will pay a base price equivalent to about 10.69 cents per pound for cotton of approximately good middling 13/16ths inches staple. This price will apply to cotton produced this year but the price for the following crops will depend upon the area planted.

For each 1% reduction in area planted to cotton in Peru after 1942 the base price will be increased 1½%.

The State Department announced on April 23 that important decisions had been reached between the two countries, including the cotton purchase agreement. The other measures involve United States purchase of all exportable rubber produced in Peru over a five year period extension of a $25,000,000 credit by the Export-Import Bank to provide financing for Peruvian purchases in the United States and arrangement for the Secretary of Agriculture to establish an agricultural experiment station at Tingo Maria.

Asks Fair Trial For FDR's Anti-Inflation Program

Secretary of the Treasury Morgenthau declared on April 30 that if President Roosevelt's seven-point program to check inflation is given a fair chance it will succeed. The Secretary told his press conference that various newspaper columnists were saying that the program would fail without even giving it a trial. Mr. Morgenthau added that the success of the program depends on the cooperation of 135,000,000 people of the nation.

Fertilizer Ass'n Price Index Falls Off

The upward trend in the general level of wholesale commodity prices was halted last week, according to the price index compiled by The National Fertilizer Association, which declined fractionally. In the week ended May 2, 1942, this index stood at 127.9% of the 1935-1939 average, compared with 128.0 in the preceding week, 124.9 a month ago, and 104.5 a year ago.

The slight recession in the all-commodity index during the week was due principally to rather marked declines in prices of farm products. Cotton, grains, and livestock quotations were lower—13 items declined while only 3 advanced—the net result being a substantial drop in the farm product price average. The index of miscellaneous commodities was lower, reflecting price declines for cottonseed meal and cattle feed. The textile price index declined for the third consecutive week due to a drop in the price of raw cotton. Linseed oil was lower in price causing a small decline in the building material average. The food group average moved to higher levels last week as a result of upturns in the prices of butter, flour, and meats. The only other group average to change during the week was the fuel price index, which advanced.

During the week price declines outnumbered price advances 24 to 11; in the preceding week 11 price series declined and 17 advanced; in the second preceding week there were 26 declines and 25 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week May 2 1942	Preceding Week Apr. 25 1942	Month Ago Mar. 28 1942	Year Ago May 3 1941
25.3	Foods	126.1	126.0	121.8	99.4
	Fats and Oils	138.7	138.0	136.2	99.1
	Cottonseed Oil	159.3	159.3	159.0	104.9
23.0	Farm Products	136.8	138.4	136.2	98.3
	Cotton	190.5	191.6	189.8	108.4
	Grains	113.8	114.6	116.0	90.8
	Livestock	132.3	134.3	130.7	97.1
17.3	Fuels	119.2	117.4	114.0	103.4
10.8	Miscellaneous commodities	127.9	128.7	128.1	114.3
8.2	Textiles	149.1	149.2	148.4	122.0
7.1	Metals	104.4	104.4	104.4	103.4
6.1	Building materials	151.6	151.7	139.8	116.6
1.3	Chemicals and drugs	120.7	120.7	120.3	104.3
.3	Fertilizer materials	118.7	118.7	118.9	107.0
.3	Fertilizers	115.3	115.3	115.3	101.2
.3	Farm machinery	104.1	104.1	104.1	99.7
100.0	All groups combined	127.9	128.0	124.9	104.5

*Indexes on 1926-1928 base were: May 2, 1942, 99.6; April 25, 1942, 99.7; May 3, 1941, 81.4.

Engineering Construction Down 15% In Week

Engineered construction volume for the week, $182,270,000, climbs 53% over the total for the corresponding week last year, but is 15% below the high volume of last week as reported by "Engineering News-Record" April 30. Public construction increases 76% over the 1941 week due to the 136% gain in Federal work. State and municipal work is 62% lower. Comparisons with a week ago, however, reveal a 12% decrease in public work, with both Federal, and State and municipal reporting 12% lower volumes.

Private work for the week is 60% below last year, and 47% lower than last week.

The current week's volume brings 1942 construction to $2,891,784,000, an increase of 47% over the 18-week total in 1941. Private construction, $251,436,000, is 53% lower than in the period last year, but public work is up 85% as a result of the 148% gain in Federal construction.

Construction volumes for the 1941 week, last week, and the current week are:

	May 1, 1941	Apr. 23, 1942	Apr. 30, 1942
Total construction	$119,425,000	$214,369,000	$182,270,000
Private construction	20,740,000	15,658,000	8,304,000
Public construction	98,685,000	198,711,000	173,966,000
State and municipal	29,578,000	12,981,000	11,318,000
Federal	69,107,000	185,730,000	162,648,000

Electric Output For Week Ended May 2, 1942 Shows 12.2% Gain Over Same Week in 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended May 2, 1942, was 3,304,602,000 kwh., which compares with 2,944,906,000 kwh. in the corresponding period in 1941, a gain of 12.2%. The output for the week ended April 25, 1942, was estimated to be 3,273,190,000 kwh., an increase of 10.9% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	May 2, '42	Apr. 25, '42	Apr. 18, '42	Apr. 11, '42
New England	8.0	7.0	10.8	12.4
Middle Atlantic	9.7	9.0	13.0	9.7
Central Industrial	11.1	9.4	11.6	12.3
West Central	8.9	8.4	9.0	8.8
Southern States	16.1	*12.4	18.1	18.6
Rocky Mountain	3.3	4.0	2.1	7.7
Pacific Coast	19.8	22.0	25.3	26.4
Total United States	12.2	*10.9	14.2	14.3

*Revised figure.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Mar. 7	3,392,121	3,004,639	+12.9	2,553,109	1,538,452	1,702,570
Mar. 14	3,357,444	2,983,591	+12.5	2,550,000	1,537,747	1,687,229
Mar 21	3,357,032	2,983,048	+12.5	2,508,321	1,514,553	1,687,229
Mar. 28	3,345,502	2,975,407	+12.4	2,524,066	1,480,208	1,679,589
Apr. 4	3,348,608	2,959,646	+13.1	2,493,690	1,465,076	1,663,291
Apr. 11	3,320,858	2,905,581	+14.3	2,529,908	1,480,738	1,696,543
Apr. 18	3,307,700	2,897,307	+14.2	2,528,868	1,469,810	1,709,331
Apr. 25	*3,273,190	2,950,448	+10.9	2,499,060	1,454,505	1,699,822
May 2	3,304,602	2,944,906	+12.2	2,503,899	1,429,032	1,688,434

*Revised figure.

Market Value Of Stocks On New York Stock Exchange Lower On April 30

The New York Stock Exchange announced on May 5 that as of the close of business April 30, 1942, there were 1,241 stock issues aggregating 1,469,204,098 shares listed on the Exchange, with a total market value of $31,449,206,904. This compares with 1,238 stock issues, aggregating 1,468,597,820 shares with a total market value of $32,844,183,750 on March 31, 1942, and with 1,232 stock issues, aggregating 1,462,624,273 shares listed on the Exchange on April 30, 1941, with a total market value of $35,710,958,708.

In its announcement regarding the figures, the Stock Exchange also said:

> As of the close of business April 30, 1942, New York Stock Exchange member total net borrowings amounted to $33,147,820. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.07%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	April 30, 1942		Mar. 31, 1942	
Group	Market Value $	Average Price $	Market Value $	Average Price $
Amusement	236,659,259	11.22	250,395,517	11.87
Automobile	2,548,109,177	21.27	2,668,164,449	22.33
Aviation	484,189,143	14.00	530,719,370	15.46
Building	359,613,795	16.50	376,624,546	17.29
Business & office equipment	235,438,479	20.04	236,266,755	20.12
Chemical	4,359,945,368	45.64	4,461,369,079	46.81
Electrical equipment	1,020,395,498	25.74	1,064,341,485	26.85
Farm machinery	494,545,480	37.74	515,828,380	39.36
Financial	594,427,010	11.78	618,741,359	12.10
Food	2,001,922,994	21.49	2,039,927,525	21.89
Garment	32,574,446	19.45	34,912,153	20.85
Land & realty	13,956,783	2.87	14,601,777	3.00
Leather	166,168,492	19.80	183,043,121	21.81
Machinery & metals	1,105,899,414	16.17	1,160,290,835	16.96
Mining (excluding iron)	1,182,986,086	20.01	1,286,200,648	21.76
Paper & publishing	322,634,165	14.57	335,147,451	15.13
Petroleum	3,168,792,104	16.49	3,293,984,242	17.15
Railroad	2,588,684,975	22.95	2,678,144,122	23.74
Retail merchandising	1,534,763,933	20.93	1,637,832,368	22.33
Rubber	274,673,885	25.94	265,974,985	25.11
Ship building & operating	89,025,334	18.68	86,305,300	20.14
Shipping services	8,023,105	4.37	8,466,851	4.61
Steel, iron & coke	1,878,946,380	36.96	1,989,455,573	39.14
Textiles	294,943,029	21.03	315,453,493	22.49
Tobacco	885,221,929	33.11	937,180,641	35.05
Utilities:				
Gas & electric (operating)	1,370,059,697	14.83	1,404,055,485	15.20
Gas & electric (holding)	556,963,986	5.81	573,103,799	5.98
Communications	2,416,575,155	57.79	2,606,226,135	62.33
Miscellaneous	64,928,391	8.86	67,357,717	9.19
U. S. companies oper. abroad	427,442,576	12.98	443,149,673	13.46
Foreign companies	639.961,594	15.81	666,393,261	16.46
Miscellaneous businesses	90,735,242	15.46	94,525,655	16.10
All Listed Stocks	31,449,206,904	21.41	32,844,183,750	22.36

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value $	Average Price $		Market Value $	Average Price $
1940—			1941—		
Jan. 31	45,636,655,548	31.68	Mar. 31	39,696,269,155	27.24
Feb. 29	46,058,132,499	31.96	Apr. 30	37,710,958,708	25.78
Mar. 30	46,694,763,118	32.34	May 31	37,815,306,034	25.84
Apr. 30	46,769,244,271	32.35	June 30	39,607,836,569	27.07
May 31	36,546,583,208	25.26	July 31	41,654,256,215	28.46
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40,984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37,882,316,239	25.87
Oct. 31	42,673,890,518	29.38	Dec. 31	35,785,946,533	24.46
Nov. 30	41,848,246,961	28.72	1942—		
Dec. 31	41,890,646,959	28.80	Jan. 31	36,228,397,999	24.70
1941—			Feb. 28	35,234,173,432	24.02
Jan. 31	40,279,504,457	27.68	Mar. 31	32,844,183,750	22.36
Feb. 28	39,398,228,749	27.08	Apr. 30	31,449,206,904	21.41

Steel Output Slightly Lower—New Record Plate Production Expected This Month

"During the five months since the United States entered the war, the need for ships has risen almost vertically with production limited in part by the output of steel plates and propulsion equipment," states "The Iron Age" in its issue of today (May 7), adding: "To meet the demand for ship materials, many companies are making production records but it will be several months before steel plate production equals war demand. Several car building shops are already building ships or ship parts and more are scheduled to get into this business.

"While the war program is beyond the new plant stage and is resulting in a heavy stream of war implements of all kinds from existing plants, reports of new plants continue to come out.

"For another week plans of the OPA for revisions in steel prices remain obscure to the manufacturers. OPA has asked several companies for cost data and reports persist that the extensive price structure of that industry is to be overhauled, with increases for some products but with a larger number of reductions which might amount to as much as an average cut of 5%. Since steel prices are tightly tied to wages, some observers will watch the progress of union demands for a $1 a day increase to forecast any important steel price revisions."

The American Iron and Steel Institute on May 4 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.6% of capacity for the week beginning May 4, compared with 98.9% one week ago, 98.6% one month ago and 96.8% one year ago. This represents a decrease of 0.3 points. or 0.3% from the preceding week. The week's operating rate for the week beginning May 4 is equivalent to 1,674,800 tons of steel ingots and castings, compared to 1,679,900 tons one week ago, 1,674,800 tons one month ago, and 1,562,200 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on May 4 stated in part: "Plates hold first place in steel demand, supported by increasing shipbuilding requirements, both the Maritime Commission and the Navy pressing for delivery. To meet these needs platemakers have set new production records. Output in May is expected to reach a new high, close to 1,000,000 tons, which will be 100,000 to 125,000 tons above the April estimate.

"Office of Price Administration has issued an amendment to Order M-21, designed to correct inconsistencies in the steel price schedule arising from the recent freight rate increase of 6%. Effective April 30 delivered prices applicable to Toledo, O., Detroit and eastern Michigan and base prices at Gulf Coast basing points may be increased 25 cents per gross ton on ingots, blooms and slabs and 2 cents per 100 pounds on all other iron and steel products. The increases apply to carloads and less-carloads.

"Office of Price Administration has announced a new ceiling on ferromanganese at $135, Atlantic Seaboard, duty paid. The previous ceiling was $120. Southern furnaces, previously allowed to charge $140, were put under the $135 ceiling.

"Steady flow of scrap at the increased volume of the past few weeks is maintaining steel production at high rate in practically all centers and the situation seems likely to continue through the summer. Efforts to accumulate reserves for next winter have not been successful as most current receipts are melted at once. Intensive collection programs are obtaining increasingly good results and automobile wrecking contributes a steady tonnage."

WPB Orders 50% Cut In East, Starting May 16

The War Production Board on May 5 ordered a 50% reduction below last year in deliveries of gasoline and light fuel oils to dealers in 17 Eastern States and the District of Columbia, which will become effective on May 16, the day after motorists on the Eastern Seaboard begin using the ration cards to be distributed next week. (See "Commercial and Financial Chronicle" of April 30, 1942, page 1710.) The temporary emergency gasoline rationing card plan will remain in effect until July 1, 1942, when, it was stated, a more elaborate rationing program will go into operation.

Ralph K. Davies, Deputy Petroleum Coordinator, said that it depended on developments in the oil transportation situation whether or not gasoline rationing would have to be spread to States other than those on the East Coast. In a formal statement pointing out that transportation facilities of other areas have been diverted to aid the Eastern States, Mr. Davies warned that "it is quite possible that shortages may develop in the areas" from which such facilities are diverted. "And we see no reason why the East Coast alone should be forced to bear all the hardships and inconveniences resulting from the oil transportation difficulties," he added.

Banking School Adds Three

The credit operations of banks in small cities, as well as those of banks in medium sized cities and in large cities, will be taught at the forthcoming resident session of The Graduate School of Banking of the American Bankers Association at Rutgers University, New Brunswick, N. J., by three new instructors added to the credits faculty this year, representing these types of banks, it is announced by Dr. Harold Stonier, director of The Graduate School of Banking. The resident session will be held at Rutgers, June 15-27. T. Allen Glenn Jr., President The Peoples National Bank, Norristown, Pa., will be the small city bank member of the credits faculty. S. Guernsey Jones, Assistant Cashier National Newark & Essex Banking Co., Newark, N. J., will be the medium sized city institution lecturer, and Albert C. Simmonds Jr., Vice-President Bank of New York, New York City, will be the instructor from the bank in a large city.

F. Abbot Goodhue On State Banking Board

The appointment of F. Abbot Goodhue, President of the Bank of the Manhattan Company, New York City, as a member of the New York State Banking Board has been confirmed by the State Senate following his nomination to this post by Governor Lehman. Mr. Goodhue succeeds the late Mortimer N. Buckner, Chairman of the Board of the New York Trust Co. Mr. Buckner's death on Feb. 25 was reported in these columns of March 5, page 968. Mr. Goodhue, who has been President of the Bank of the Manhattan Company since 1932, started his banking career as a messenger for the First National Bank of Boston, and later served as President of the Brookline Trust Co., Brookline, Mass. He returned to the First National in 1914 as Vice-President, serving in that capacity for a number of years. During World War I, Mr. Goodhue was one of the three United States members of the Interallied Commission for War Purchase and Finance in London. In 1919 he helped in the formation of the French American Banking Corporation of New York and served as a Director. Mr. Goodhue became President of the International Acceptance Bank, Inc., in 1921 and was made President also of the International Acceptance Trust Co. in 1926. Six years later he assumed his position with the Bank of the Manhattan Company.

Farm Products' Buying Passes $1 Billion Mark

Purchases of farm products for Lend-Lease and other requirements have passed the billion dollar mark, the Department of Agriculture reported on April 29. The Agricultural Marketing Administration started buying under this program on March 15, 1941. Through April 22, 1942, purchases totaled $1,010,000,000. It is pointed out that the announcement that purchases have exceeded a billion dollars comes just a year from the date of first delivery of food products to representatives of the United Nations. First delivery, to representatives of the British Government, was made on April 29, 1941. The Department's announcement adds:

> Of the $1,000,000,000 in purchases, dairy and egg products led the field, accounting for $377,000,000. Next in value was meat products for which was paid $310,000,000. Fruits and vegetables accounted for $75,500.000. Purchases of grain and grain products totaled $26,400,000; fish, $24,000,000; vitamin concentrates $4.300,000 and $28,400.000 for miscellaneous foodstuffs. Of farm commodities, other than foods, purchases amounted to $17,700.000.
>
> In addition, the AMA bought corn, cotton, gum rosin, wheat and tobacco from the Commodity Credit Corporation to the amount of $146,700,000.
>
> These supplies can be used for domestic distribution to public aid families and for free school lunches, to meet requirements of the Red Cross, for shipment under the terms of the Lend-Lease Act or other special programs, or for stabilization reserves.

Moody's Daily Commodity Index

Tuesday, April 23	230.1
Wednesday, April 29	230.6
Thursday, April 30	230.4
Friday, May 1	231.2
Saturday, May 2	231.0
Monday, May 4	231.7
Tuesday, May 5	231.6
Two weeks ago, April 21	231.6
Month ago, April 4	232.7
Year ago, May 5	189.2
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—April 7	234.0
Low—Jan. 2	220.0

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings *				Corporate by Groups *		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
May 5	118.01	106.74	116.02	113.12	107.62	92.20	96.69	110.70	113.70
4	117.86	106.74	116.22	113.12	107.44	92.20	96.69	110.70	113.70
2	117.98	106.74	116.22	113.12	107.44	92.20	96.69	110.70	113.70
1	117.90	106.56	116.22	113.12	107.44	92.06	96.69	110.70	113.70
Apr. 30	117.61	106.56	116.22	113.12	107.44	91.91	96.54	110.52	113.70
29	117.46	106.56	116.22	113.12	107.44	91.91	96.54	110.52	113.70
28	117.51	106.56	116.22	113.12	107.62	91.91	96.54	110.52	113.70
27	117.72	106.74	116.22	113.12	107.62	92.06	96.69	110.52	113.70
25	117.78	106.74	116.22	113.31	107.62	92.06	96.69	110.70	113.89
24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
23	117.88	106.74	116.41	113.31	107.62	92.06	96.85	110.70	113.70
22	117.99	106.92	116.41	113.50	107.62	92.20	96.85	110.88	113.89
21	117.96	106.92	116.41	113.50	107.62	92.20	97.00	110.88	113.89
20	118.03	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
18	118.12	106.92	116.41	113.70	107.62	92.20	97.00	110.88	113.89
17	118.08	106.92	116.41	113.70	107.62	92.20	96.85	110.88	113.89
16	118.13	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
15	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.88	113.89
14	118.18	106.92	116.41	113.70	107.62	92.06	96.85	110.70	113.89
13	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.70	114.08
11	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
9	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
8	118.11	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
7	118.11	106.92	116.41	113.70	107.62	92.50	97.16	110.70	114.08
6	118.17	106.92	116.22	113.70	107.62	92.20	97.16	110.52	113.89
4	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.52	114.08
3	STOCK EXCHANGE CLOSED								
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
1	118.03	106.92	116.22	113.70	107.62	92.20	97.00	110.52	113.89
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
20	117.80	106.21	115.63	113.12	107.09	91.34	96.85	109.79	112.93
13	117.33	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.75
6	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.27	106.92	116.61	114.08	107.98	92.50	97.47	110.88	114.08
Low 1942	115.90	106.04	115.43	112.93	107.09	90.63	95.92	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago May 5, 1941	118.66	106.39	116.61	113.12	106.92	91.34	96.85	110.52	112.56
2 Years ago May 4, 1940	116.30	104.14	116.61	113.89	103.64	86.38	92.06	109.60	112.37

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
		Aaa	Aa	A	Baa	R. R.	P. U.	Indus
May 5	3.35	2.85	3.00	3.30	4.26	3.96	3.13	2.97
4	3.35	2.84	3.00	3.31	4.26	3.96	3.13	2.97
2	3.35	2.84	3.00	3.31	4.26	3.96	3.13	2.97
1	3.36	2.84	3.00	3.31	4.27	3.96	3.13	2.97
Apr. 30	3.36	2.84	3.00	3.31	4.28	3.97	3.14	2.97
29	3.36	2.84	3.00	3.31	4.28	3.97	3.14	2.97
28	3.36	2.84	3.00	3.30	4.28	3.97	3.14	2.97
27	3.35	2.84	3.00	3.30	4.27	3.96	3.14	2.97
25	3.35	2.84	2.99	3.30	4.27	3.96	3.13	2.96
24	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
23	3.35	2.83	2.99	3.30	4.27	3.95	3.13	2.97
22	3.34	2.83	2.98	3.30	4.26	3.95	3.12	2.90
21	3.34	2.83	2.98	3.30	4.26	3.94	3.12	2.96
20	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
18	3.34	2.83	2.97	3.30	4.26	3.94	3.12	2.96
17	3.34	2.83	2.97	3.30	4.26	3.95	3.12	2.96
16	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
15	3.34	2.83	2.97	3.30	4.26	3.94	3.12	2.96
14	3.34	2.83	2.97	3.30	4.27	3.95	3.13	2.96
13	3.34	2.83	2.97	3.30	4.26	3.94	3.13	2.95
11	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
9	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
8	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
7	3.34	2.83	2.97	3.30	4.24	3.93	3.13	2.95
6	3.34	2.84	2.97	3.30	4.26	3.93	3.14	2.96
4	3.34	2.83	2.97	3.30	4.26	3.94	3.14	2.95
3	STOCK EXCHANGE CLOSED							
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
1	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.96
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
20	3.38	2.87	3.00	3.33	4.32	3.95	3.18	3.01
13	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.02
6	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
20	3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.88	3.01	3.33	4.37	4.01	3.19	3.02
Low 1942	3.34	2.82	2.95	3.28	4.24	3.91	3.12	2.95
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago May 5, 1941	3.37	2.82	3.00	3.34	4.32	3.95	3.14	3.03
2 Years ago May 4, 1940	3.50	2.82	2.96	3.53	4.68	4.27	3.19	3.04

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Non-Ferrous Metals — OPA Establishes An Over-All Ceiling On Prices

"Metal and Mineral Markets" in its issue of April 30 reported that the Office of Price Administration, acting to control the cost of living, and to prevent further inflation, issued General Maximum Price Regulation on April 28 establishing an over-all ceiling on prices. For wholesalers and manufacturers the effective date is May 11; for retailers May 18. In all instances, except where OPA had ruled otherwise, maximum prices will be the highest levels established in March. Apart from the order, maximum prices were set for rolled-zinc products, ferromanganese, and fluorspar. Prices on rolled-zinc products, effective May 11, will be based on the price obtaining Nov. 29. 1941; ferromanganese, effective May 18, will be based on the price of Oct. 1 to 15, 1941; and fluorspar, on May 11, will hold to the Jan. 2 level. Production quotas for premium payments on copper, lead, and zinc have been completed in most instances. The quotas for 1941, in general, lean on the high side, according to trade reports. The publication further reported as follows:

Copper

Allocation certificates for May copper started moving to fabricators, and deliveries of the metal next week will be heavy. Sales in the domestic market during the last week totaled 7,355 tons, making the total for the month so far 78,523 tons. The price situation was unchanged, domestic consumers paying on the basis of 12c., Valley, with foreign copper moving into the hands of Metals Reserve at 11.75c., f.a.s. United States ports.

Estimated copper content of shipments by mills of all kinds and foundries, allowing for normal return of processing scrap, according to the American Bureau of Metal Statistics, in tons:

	1940	1941	1942
January	74.000	124.000	128.000
February	65,000	122,000	120,000
March	68,000	132,000	125,000
April	68,500	134,000	------
May	71,000	133,000	------
June	74,000	136,000	------
July	78,000	135,000	------
August	89,000	140,000	------
September	101,000	134,000	------
October	114,000	137,000	------
November	106,000	121,000	------
December	109,000	133,000	------
Total	1,017,500	1,581,000	------

Zinc

The zinc pool for May will take 75% of the industry's high grade output and 50% of the other grades, with January as the base month for calculating the tonnages to be set aside. Beginning with June, the industry will be confronted with 100% allocation. The order announcing full control over distribution will soon be issued, the trade believes.

The Prime Western division sold 5,346 tons of zinc during the last week, with shipments of 5,103 tons. The backlog stood at 94,149 tons as the week ended. Prime Western continues at 8¼c., St. Louis.

Lead

The usual monthly meeting of producers and officials to consult on allocations for next month took place in Washington on April 28. With consumption of lead in non-essentials being restricted, demands of ordinary industry are falling. Surplus metal is being stockpiled against any possible contingency. Sales of common lead during the last week involved 5,146 tons. The price situation was unchanged.

The emergency pool for May has virtually been fixed at 15% of production. The base period for calculating pool requirements will be March.

Tin

Bolivia exported tin concentrate containing 2,795 metric tons of tin during February, which compares with 3,266 tons in January and 2,972 tons in February last year, according to Banco Minero de Bolivia.

Straits quality tin for future delivery was nominally as follows:

	May	June	July
April 23	52.000	52.000	52.000
April 24	52.000	52.000	52.000
April 25	52.000	52.000	52.000
April 27	52.000	52.000	52.000
April 28	52.000	52.000	52.000
April 29	52.000	52.000	52.000

Chinese tin, 99% spot, 51.125c., all week.

London Tin—No quotations.

Tungsten Ore

Metals Reserve Co. announced during the last week that domestic producers, under certain conditions will obtain the equivalent of $24 per unit of WO3, f.o.b. New York, on tungsten ore shipped to the treatment plant to be erected in Salt Lake Valley. The domestic quotation on good known quality ore, carload lots, in the open market continued at $26 per unit of WO3, delivered.

Quicksilver

Jesse H. Jones, Secretary of Commerce, announced April 25 that Metals Reserve Co., at the recommendation of the War Production Board, had concluded arrangements to purchase surplus spot quicksilver from current production at $192 per flask, f.o.b. New York, through the George Uhe Co., and Garrigues, Stewart & Davies, Inc., both of New York.

This development caused more than a little confusion in the minds of buyers of quicksilver. Some in the trade regarded the action as a move to place a "floor" under the price structure to assure a high rate of output should demand subside. Others detected weakness in the situation, resulting, in part, from forced curtailment in consumption of the metal in non-essential uses. In any event, the price paid is several dollars below the ceiling basis.

The spot price in New York moved up to $197.30 @ $199.21 per flask, the slight advance reflecting the higher freight rate now in force on new business. The higher level became effective on April 25. Business was booked on Tuesday on the basis of $197.30, prompt shipment.

Silver

During the past week the silver market in London has been quiet, with the price unchanged as 23½d.

The New York Official and the U. S. Treasury prices are also unchanged at 35⅛c. and 35c., respectively.

Arrangements were completed April 27 by the Treasury to lend 40,000 tons of silver to the Defense Plant Corp. to replace copper in busbars in new aluminum plants, Secretary Morgenthau announced. The War Production Board held up the deal temporarily for clarification of details concerning possible loss of the loaned metal through theft and other causes.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

	Electrolytic Copper		Straits Tin,	Lead		Zinc
April	Domest., Refin.	Exp., Refin.	New York	New York	St. Louis	St. Louis
23	11.775	11.700	52.000	6.50	6.35	8.25
24	11.775	11.700	52.000	6.50	6.35	8.25
25	11.775	11.700	52.000	6.50	6.35	8.25
27	11.775	11.700	52.000	6.50	6.35	8.25
28	11.775	11.700	52.000	6.50	6.35	8.25
29	11.775	11.700	52.000	6.50	6.35	8.25
Average	11.775	11.700	52.000	6.50	6.35	8.25

Average prices for calendar week ended April 25 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery, 11.700c.; Straits tin, 52.000c.; New York lead. 6.500c.; St. Louis lead, 6.350c.; St. Louis zinc, 8.250c.; and silver, 35.125c.

The above quotations are "M. & M. M.'s" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to World War II, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c. is deducted from f.a.s. basis (lighterage, etc.) to arrive at the f.o.b. refinery quotation.

Trading On New York Exchanges

The Securities and Exchange Commission has made public figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the weeks ended April 4 and 11, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	New York Stock Exchange —Week Ended— April 4	April 11
Total number of reports received	1,029	1,022
1. Reports showing transactions as specialists	168	168
2. Reports showing other transactions initiated on the floor	113	124
3. Reports showing other transactions initiated off the floor	113	150
4. Reports showing no transactions	695	637

	New York Curb Exchange —Week Ended— April 4	April 11
Total number of reports received	721	721
1. Reports showing transactions as specialists	86	82
2. Reports showing other transactions initiated on the floor	15	22
3. Reports showing other transactions initiated off the floor	48	46
4. Reports showing no transactions	576	575

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

	—Week Ended— Apr. 4, '42	%a	Apr. 11, '42	%a
A. Total Round-Lot Sales:				
Short sales	43,750		63,300	
Other sales b	1,364,870		1,743,400	
Total sales	1,408,620		1,806,700	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	91,770		118,020	
Short sales	21,500		24,760	
Other sales b	61,910		103,680	
Total sales	83,410	6.22	128,440	6.82
2. Other transactions initiated on the floor—				
Total purchases	48,860		63,260	
Short sales	6,400		6,500	
Other sales b	40,790		61,180	
Total sales	47,190	3.41	67,680	3.62
3. Other transactions initiated off the floor—				
Total purchases	35,820		41,610	
Short sales	3,610		4,710	
Other sales b	25,700		44,190	
Total sales	29,310	2.31	48,900	2.50
4. Total—				
Total purchases	176,450		222,890	
Short sales	31,510		35,970	
Other sales b	128,400		209,050	
Total sales	159,910	11.94	245,020	12,94

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

	—Total for Week of— Apr. 4, '42	%a	Apr. 11, '42	%a
A. Total Round-Lot Sales:				
Short sales	1,815		3,760	
Other sales b	299,500		285,980	
Total sales	301,315		289,740	
B. Round-Lot Transactions for the Account of Members:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	23,760		27,309	
Short sales	1,365		2,945	
Other sales b	30,060		31,940	
Total sales	31,425	9.16	34,885	10,73
2. Other transactions initiated on the floor—				
Total purchases	2,775		4,620	
Short sales	0		150	
Other sales b	3,700		3,750	
Total sales	3,700	1.08	3,900	1.47
3. Other transactions initiated off the floor—				
Total purchases	7,735		15,275	
Short sales	300		230	
Other sales b	15,735		7,985	
Total sales	16,035	3.94	8,215	4.05
4. Total—				
Total purchases	34,270		47,204	
Short sales	1,665		3,325	
Other sales b	49,495		43,675	
Total sales	51,160	14.18	47,000	16.25
C. Odd-Lot Transactions for the Account of Specialists—				
Customers' short sales	0		100	
Customers' other sales c	19,340		23,894	
Total purchases	19,340		23,994	
Total sales	11,783		13,547	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Daily Average Crude Oil Production For Week Ended April 25, 1942, Increased 36,350 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 25, 1942, was 3,581,350 barrels, an increase of 36,350 barrels over the preceding week. The current figure, however, was 145,500 barrels below the output for the corresponding week last year, and was also 85,450 barrels under the daily average for the month of April as recommended by the Office of Petroleum Coordinator. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000-barrel estimated daily potential refining capacity of the United States indicate that the industry as a whole ran to stills, on a Bureau of Mines basis, 3,506,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week 102,897,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,535,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	a O.P.C. Recommendations April	a State Allowables Beginning April 1	—Actual Production— Week Ended April 25 1942	Change From Previous Week	4 Weeks Ended April 25 1942	Week Ended April 26 1941
Oklahoma	436,900	436,900	b400,750	+ 4,100	395,200	419,450
Kansas	253,400	253,400	b253,200	+ 100	247,250	213,400
Nebraska	5,000	------	b3,900	— 50	4,100	4,300
Panhandle Texas			90,050	+ 2,750	84,450	80,600
North Texas			147,550	+ 32,300	131,500	130,450
West Texas			190,200	+ 250	186,650	248,550
East Central Texas			79,450	— 50	79,350	77,150
East Texas			225,850	— 50	225,900	374,000
Southwest Texas			156,900	+ 750	150,500	210,300
Coastal Texas			228,550	— 1,200	228,050	274,150
Total Texas	1,134,000	c1,174,801	1,118,550	+ 34,750	1,086,400	1,395,200
North Louisiana			77,700	+ 1,150	79,100	70,800
Coastal Louisiana			239,850	— 8,750	245,300	235,250
Total Louisiana	313,000	338,466	317,550	— 7,600	324,400	306,050
Arkansas	74,000	73,685	73,500	+ 50	74,050	71,850
Mississippi	49,800		b94,700	— 1,650	97,150	27,650
Illinois	354,400		298,800	+ 3,950	301,800	327,150
Indiana	18,200		b18,600	— 2,750	19,100	21,750
Eastern (not incl. Ill. & Ind.)	102,600		98,700	+ 450	100,250	90,700
Michigan	60,200		60,800	+ 1,600	57,000	37,100
Wyoming	88,900		93,600	— 200	92,250	80,250
Montana	23,700		21,600	------	21,600	19,400
Colorado	6,900		5,300	+ 400	5,050	3,800
New Mexico	86,000	86,000	79,400	+ 200	80,000	108,800
Total East of Calif.	3,007,000		2,938,950	+ 33,350	2,905,600	3,126,850
California	659,800	d659,800	642,400	+ 3,000	616,400	600,000
Total United States	3,666,800		3,581,350	+ 36,350	3,522,000	3,726,850

a Beginning with April the O.P.C. recommendations represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Formerly the recommended rates were for crude oil only. State allowables are also calculated on the same basis beginning with April. It may be that certain wells will be found incapable of producing the allowables granted. Actual State production may, for this reason, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline in January, 1942, in barrels as follows: Oklahoma, 29,000; Kansas, 6,000; Texas, 114,000; Louisiana, 21,000; Arkansas, 2,000; California, 43,000; other States, including New Mexico, 26,000.

b Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. April 22.

c This is the net basic 30-day allowable as of April 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions, notably Panhandle (shut down 10 days) and aviation grade fields (nine days) the entire State was ordered shut down on April 3, 4, 5, 6, 10, 11 12, 13, 17, 18, 19, 20, 24, 25, 26, 27, 29 and 30.

d Rcommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED APRIL 25, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

	Daily Refining Capacity Potential Rate	% Reporting	Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis: Crude Runs to Stills Daily Average	% Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	eStocks of Gas Oil and Distillate Fuels	eStocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,595	66.9	4,416	46,694	13,689	16,314
Appalachian	174	84.5	155	89.1	458	4,031	389	641
Ind., Ill., Ky.	784	84.9	712	90.8	2,432	22,468	2,548	3,452
Okla., Kansas, Mo.	418	81.1	358	85.6	1,273	10,090	893	1,682
Rocky Mountain	138	50.7	96	69.6	300	2,495	271	589
California	787	90.9	590	75.0	1,656	17,119	11,450	58,429
Tot. U. S. B. of M. basis April 25, 1942	4,684	86.9	3,506	74.9	10,535	a102,897	29,240	81,107
Tot. U. S. B. of M. basis April 18, 1942	4,684	86.9	3,548	75.7	11,005	103,502	29,929	82,577
U. S. Bur. of Mines basis April 26, 1941			3,709		12,273	96,172	31,066	92,324

a Finished, 95,294,000 barrels; unfinished, 7,603,000 barrels. e At refineries, at bulk terminals, in transit, and in pipe lines.

*At the request of the Office of the Petroleum Coordinator.

Fewer Strikes In March Than Year Ago

Preliminary estimates of the Bureau of Labor Statistics for March show 240 new strikes in which 65,000 workers were involved, and 450,000 man-days idle during all strikes in progress in the month, it was reported on April 29. About one-third of the idleness resulted from three disputes involving textile workers in Fall River, Mass., anthracite miners in Eastern Pennsylvania, and New Orleans laundry workers.

Strike idleness in March as a proportion of available working time was between 7/100 and 8/100 of 1%.

Estimates for all strikes in March appear in the following table, along with comparative figures for other periods. Corresponding figures for strikes directly or indirectly affecting the war production program have been released by the War Labor Board under date of April 21.

Item—	March, 1942*	February, 1942*	March, 1941	Averages for five-year period, 1935-39 March	February
Number of strikes beginning in month	240	190	348	292	182
Number of workers involved in new strikes	65,000	57,000	118,271	103,740	69,611
Number of man-days idle during all strikes in progress during month	450,000	425,000	1,558,457	1,394,625	828,701

*Preliminary estimates.

Sees Farm Support For President's Program

In indicating his full accord with the President's cost of living program, Secretary of Agriculture Wickard expressed the belief on April 28 that farmers will give the program their support. His statement to this effect follows:

> Farmers have everything to gain and nothing to lose by such a program. Every farmer who farmed during and after the last war remembers the disastrous results which followed the upward spiralling of prices during the war. Farmers will be particularly pleased to know that retail and wholesale prices are to be controlled before further advances occur in the cost of items which they must purchase for their homes and their farms. Farmers will be glad to see the Price Control Act changed so that the general level of farm prices will not advance beyond parity because they have accepted parity as being fair in principle. The great majority of them have not favored restrictions on the sale of Government-owned stocks of farm products, and now I am sure will be pleased to see these restrictions removed. In my opinion, farmers will give the President's program their full support.

In his message to Congress President Roosevelt asked that the "parity" formula, now calling for a 110% payment, be corrected by restoring it to 100%. He also asked that no law be enacted that would prevent the Government from selling any of its surplus farm commodities at the market price.

Wheat Storage A Problem

Warning that there will be a tremendous shortage in wheat storage capacity for the country in view of the record carryover and new crop, Secretary of Agriculture Wickard, at Enid, Okla., on April 28 urged wheat farmers to start building more farm storage now because this year there is unlikely to be much chance that terminal elevators and boxcars will be able to handle it. Mr. Wickard said that the record carryover of 630,000,000 bushels, together with a new crop of around 800,000,000 bushels, will be enough to meet all our normal needs, including exports, for about two years. However, he added, since storage space is already crowded, it is imperative that farmers start immediately to build all the farm storage that is needed. Mr. Wickard asserted that it is the patriotic duty of every farmer to store as much of his wheat on his own farm as he possibly can.

Register Men 45-64

An estimated 13,000,000 men between 45 and 64 years of age inclusive were registered on April 27 in the fourth Selective Service registration. This age group, although not subject to military service under existing law, will be classified according to occupational skills for possible service on the war production lines. With the completion of this registration there are now about 40,000,000 men in the manpower pool. Among those registering on April 27 was President Roosevelt, who was 60 years old last Jan. 30. The President was enrolled at a brief White House ceremony.

In the first two registrations, Oct. 16, 1940 and July 1, 1941, over 17,600,000 men from 21 through 35, were listed and in the first wartime registration, Feb. 16, 1942, another 9,000,000 men between the ages of 20 and 45, who had not previously registered became subject to possible military service.

Wholesalers' Sales, Inventories & Credits

March sales of wholesalers totaled $311,388,000, an increase of 28% over the same month a year ago, according to an announcement released April 30 by J. C. Capt, Director of the Census. The gain reported for February of this year compared with February of last year was 34%. For the first quarter of 1942, the gain amounted to 33% over the corresponding quarter of 1941. An increase of 6% occurred between February and March of 1942, as against the increase of 12% which occurred between these months a year ago. The Census Bureau's advices further report:

> Without exception, the 35 trades for which separate statistics are presented registered increases in March of this year compared with March, 1941, four of which were in excess of 50% and five additional between 40 and 50%. Wholesalers of meats and meat products reported a gain of 62%; wholesalers of groceries and foods, except farm products, 15%; wines and liquors, 26%; drugs, 22%; clothing and furnishings, except shoes, 29%; shoes and other footwear, 40%, and wholesalers of dry goods, 51%. Substantial increases were recorded in most durable goods lines, wholesalers of furniture and house furnishings reporting an increase of 48%; jewelry wholesalers, 26%; general hardware, 39%; plumbing and heating supplies, 42%, and lumber and building materials wholesalers, 25%. Wholesalers of paper and its products reported a gain of 47%.
>
> Inventories, amounting to $298,052,000 in terms of dollars based on cost values, at the close of March remained virtually unchanged compared with February, when they were but slightly lower. Since January, 1941, inventories at the close of each month have exceeded those at the beginning, the increases varying generally between less than .5% and 3%, with the exception of the high of 6% recorded for January of last year. Compared with March a year ago, inventories at the close of March, 1942, show an increase in dollar volume of 20%. For 32 consecutive months, inventories have exceeded those at the same date one year earlier. Inventory gains as well as sales gains, however, are partially attributable to prices.
>
> The stock-sales ratio at the close of March, 1942, was 152 as against 158 for the same month a year ago and 161 for February, 1942. 18 trades reported decreases in stock-sales ratios between March, 1941, and March, 1942, while 13 reported increases. Wholesalers of groceries and foods, with a 15% increase in sales and a 30% increase in inventory for March, 1942, over the same month a year ago were among those outstanding for rising stock-sales ratios.
>
> Collections on accounts receivable for March show a fair gain compared with collections for March a year ago, and a slight increase above those for February of this year. The collection ratio for March was 81, compared with a ratio of 75 for March, 1941, and 78 in February, 1942. Accounts receivable totaling $309,210,000, were 24% greater on March 1, 1942, than at the same date in 1941, in line with the increase of 25% reported for February of this year. Accounts receivable were 2% greater on March 1, 1942, than on Feb. 1, 1942.
>
> This monthly study is conducted jointly by the National Association of Credit Men and the Bureau of the Census.

Revenue Freight Car Loadings During Week Ended April 25, 1942, Totaled 861,353 Cars

Loading of revenue freight for the week ended April 25, totaled 861,353 cars, the Association of American Railroads announced on April 30. The increase above the corresponding week in 1941 was 139,726 cars, or 19.4%, and above the same week in 1940 was 216,549 cars, or 33.6%.

Loading of revenue freight for the week of April 25 increased 14,791 cars, or 1.7% above the preceeding week.

Miscellaneous freight loading totaled 382,433 cars, an increase of 2,800 cars above the preceding week, and an increase of 33,490 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 123,580 cars, a decrease of 5,856 cars below the preceding week, and a decrease of 38,403 cars below the corresponding week in 1941.

Coal loading amounted to 169,659 cars, an increase of 3,041 cars above the preceding week, and an increase of 130,219 cars above the corresponding week in 1941 which was affected by strike.

Grain and grain products loading totaled 35,677 cars, a decrease of 495 cars below the preceding week, but an increase of 1,914 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of April 25 totaled 22,300 cars, a decrease of 586 cars below the preceding week, but an increase of 2,154 cars above the corresponding week in 1941.

Live stock loading amounted to 13,785 cars, an increase of 982 cars above the preceding week, and an increase of 1,245 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of April 25 totaled 10,494 cars, an increase of 372 cars above the preceding week, and an increase of 736 cars above the corresponding week in 1941.

Forest products loading totaled 51,260 cars, an increase of 1,542 cars above the preceding week, and an increase of 10,828 cars above the corresponding week in 1941.

Ore loading amounted to 70,911 cars, an increase of 12,654 cars above the preceding week, but a decrease of 4,474 cars below the corresponding week in 1941.

Coke loading amounted to 14,048 cars, an increase of 123 cars above the preceding week, and an increase of 4,907 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Northwestern and all districts reported increases over 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Week of April 4	828,890	683,402	602,835
Week of April 11	814,233	679,808	619,105
Week of April 18	846,562	708,793	628,468
Week of April 25	861,353	721,627	644,804
Total	13,503,523	12,180,615	10,665,742

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 25, 1942. During this period 94 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 25

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	540	526	619	1,388	1,173
Bangor & Aroostook	2,023	1,440	1,905	274	242
Boston & Maine	7,395	8,799	6,982	16,683	12,001
Chicago, Indianapolis & Louisville	1,420	1,029	1,270	2,050	1,923
Central Indiana	34	18	19	67	43
Central Vermont	1,144	1,404	1,390	2,352	2,412
Delaware & Hudson	7,045	5,077	4,624	13,163	8,301
Delaware, Lackawanna & Western	8,544	8,191	8,745	9,581	7,342
Detroit & Mackinac	292	258	280	141	123
Detroit, Toledo & Ironton	1,831	2,976	2,399	1,375	981
Detroit & Toledo Shore Line	320	393	296	3,440	2,132
Erie	14,933	15,778	11,222	16,821	11,759
Grand Trunk Western	4,233	6,503	4,887	8,454	7,443
Lehigh & Hudson River	221	315	314	3,689	1,936
Lehigh & New England	2,351	1,795	2,050	2,029	753
Lehigh Valley	9,639	8,687	7,681	12,965	7,488
Maine Central	2,550	3,049	2,432	3,889	3,074
Monongahela	6,837	275	4,563	361	385
Montour	2,354	111	1,584	54	47
New York Central Lines	49,620	47,459	39,089	56,054	30,812
N. Y., N. H. & Hartford	11,446	11,527	9,010	20,894	14,470
New York, Ontario & Western	962	1,065	1,218	3,335	2,171
New York, Chicago & St. Louis	7,336	6,553	4,980	15,340	9,986
N. Y., Susquehanna & Western	541	453	394	1,405	1,537
Pittsburgh & Lake Erie	8,799	6,873	6,280	9,326	4,739
Pere Marquette	5,808	7,030	6,064	6,315	4,952
Pittsburgh & Shawmut	774	70	808	61	62
Pittsburgh, Shawmut & North	485	217	364	367	167
Pittsburgh & West Virginia	1,146	365	1,052	2,929	2,435
Rutland	501	676	611	1,155	1,029
Wabash	5,385	6,430	5,373	12,457	9,118
Wheeling & Lake Erie	5,879	4,760	3,269	4,939	3,382
Total	172,388	160,102	141,774	233,353	154,418
Allegheny District—					
Akron, Canton & Youngstown	686	737	480	995	723
Baltimore & Ohio	42,486	30,647	29,181	27,879	16,963
Bessemer & Lake Erie	6,983	6,003	2,205	2,305	1,436
Buffalo Creek & Gauley	339	6	269	1	1
Cambria & Indiana	1,946	5	1,282	10	18
Central R. R. of New Jersey	8,605	6,789	6,288	20,664	12,467
Cornwall	670	673	648	63	38
Cumberland & Pennsylvania	297	58	192	19	35
Ligonier Valley	151	21	92	61	34
Long Island	874	794	563	3,622	2,568
Penn-Reading Seashore Lines	1,725	1,559	1,172	2,605	1,471
Pennsylvania System	85,142	68,663	58,898	65,274	38,486
Reading Co.	17,184	16,980	13,182	29,415	15,899
Union (Pittsburgh)	21,147	19,944	13,270	7,130	6,651
Western Maryland	4,052	2,114	3,252	13,092	6,334
Total	192,287	154,993	130,974	173,135	103,124
Pocahontas District—					
Chesapeake & Ohio	29,669	8,668	22,955	13,460	7,535
Norfolk & Western	23,858	7,545	19,605	7,113	5,098
Virginian	4,613	601	3,963	2,138	1,404
Total	58,140	16,814	46,523	22,711	14,037
Southern District—					
Alabama, Tennessee & Northern	410	335	271	326	152
Atl. & W. P.—W. R. R. of Ala.	928	834	697	2,300	1,615
Atlanta, Birmingham & Coast	792	703	623	1,134	1,023
Atlantic Coast Line	13,729	12,226	9,010	9,288	6,058
Central of Georgia	4,156	4,566	3,911	4,292	3,558
Charleston & Western Carolina	446	500	429	1,823	1,519
Clinchfield	1,800	1,610	1,415	2,793	1,935
Columbus & Greenville	399	258	291	215	337
Durham & Southern	173	203	160	964	296
Florida East Coast	1,949	1,107	1,617	1,427	1,035
Gainesville Midland	43	35	29	90	90
Georgia	1,428	1,093	992	2,647	1,783
Georgia & Florida	410	387	282	581	590
Gulf, Mobile & Ohio	4,504	3,618	3,291	3,917	3,207
Illinois Central System	29,493	22,580	19,016	15,560	12,030
Louisville & Nashville	27,688	15,485	21,881	10,911	7,285
Macon, Dublin & Savannah	169	177	123	785	753
Mississippi Central	182	142	103	490	336
Nashville, Chattanooga & St. L.	3,469	3,464	2,964	4,059	3,341
Norfolk Southern	1,452	1,481	1,182	1,808	1,018
Piedmont Northern	445	455	386	1,168	1,203
Richmond, Fred. & Potomac	603	391	299	10,676	5,765
Seaboard Air Line	11,624	10,682	8,861	7,384	4,997
Southern System	25,890	23,581	20,682	23,898	15,988
Tennessee Central	799	659	453	1,197	536
Winston-Salem Southbound	137	140	141	967	776
Total	133,118	106,762	99,109	110,700	77,226
Northwestern District—					
Chicago & North Western	22,651	21,781	15,586	12,795	9,907
Chicago Great Western	2,410	2,597	2,430	2,917	2,987
Chicago, Milw., St. P. & Pac.	19,976	19,818	18,206	9,331	7,762
Chicago, St. Paul, Minn. & Omaha	3,895	3,412	3,342	3,687	3,487
Duluth, Missabe & Iron Range	20,348	20,952	3,788	273	236
Duluth, South Shore & Atlantic	932	1,061	682	599	499
Elgin, Joliet & Eastern	10,050	9,854	6,137	11,003	5,185
Ft. Dodge, Des Moines & South	650	576	486	135	133
Great Northern	19,352	20,763	12,792	4,575	3,917
Green Bay & Western	549	572	429	755	660
Lake Superior & Ishpeming	2,662	4,417	1,337	67	68
Minneapolis & St. Louis	2,226	1,723	1,785	2,461	2,112
Minn., St. Paul & S. S. M.	6,565	7,183	5,251	3,002	2,495
Northern Pacific	10,212	9,869	9,322	4,658	4,097
Spokane International	114	180	178	408	395
Spokane, Portland & Seattle	2,781	2,610	1,783	3,019	1,875
Total	125,373	127,368	83,534	59,685	45,815
Central Western District—					
Atch., Top. & Santa Fe System	21,821	20,164	18,442	10,316	8,466
Alton	3,544	3,215	2,531	3,661	2,589
Bingham & Garfield	642	566	530	103	69
Chicago, Burlington & Quincy	15,446	14,214	13,475	10,115	8,637
Chicago & Illinois Midland	2,723	214	1,705	823	782
Chicago, Rock Island & Pacific	11,557	12,344	10,823	11,412	9,317
Chicago & Eastern Illinois	2,495	2,466	2,404	2,858	2,636
Colorado & Southern	692	744	705	1,530	1,557
Denver & Rio Grande Western	2,400	1,884	1,990	4,870	3,279
Denver & Salt Lake	320	262	450	12	8
Fort Worth & Denver City	965	1,055	1,006	818	824
Illinois Terminal	1,977	1,788	1,438	2,249	1,482
Missouri-Illinois	1,519	947	772	357	448
Nevada Northern	2,030	1,851	1,940	119	46
North Western Pacific	1,090	809	670	477	461
Peoria & Pekin Union	10	6	6	0	0
Southern Pacific (Pacific)	29,722	27,534	24,322	9,521	6,612
Toledo, Peoria & Western	295	448	318	1,228	1,473
Union Pacific System	14,750	14,292	12,641	12,034	9,207
Utah	477	16	229	9	0
Western Pacific	2,176	1,747	1,502	3,588	2,351
Total	116,651	106,566	97,899	76,100	60,244
Southwestern District—					
Burlington-Rock Island	130	124	160	161	182
Gulf Coast Lines	5,590	3,879	3,638	2,739	1,517
International-Great Northern	2,387	1,944	1,894	3,952	3,189
Kansas, Oklahoma & Gulf	220	175	189	903	760
Kansas City Southern	4,504	2,036	1,823	2,465	2,481
Louisiana & Arkansas	2,913	2,119	1,726	1,821	1,985
Litchfield & Madison	329	434	322	1,117	911
Midland Valley	648	408	418	289	274
Missouri & Arkansas	219	141	157	425	330
Missouri-Kansas-Texas Lines	5,367	3,851	3,652	3,951	3,357
Missouri Pacific	16,084	13,397	11,948	15,643	10,159
Quanah Acme & Pacific	77	86	99	164	135
St. Louis-San Francisco	8,121	6,900	6,338	7,640	4,985
St. Louis Southwestern	3,060	2,407	2,246	4,967	2,815
Texas & New Orleans	9,371	7,296	6,233	4,240	3,433
Texas & Pacific	4,206	3,661	3,930	5,266	3,802
Wichita Falls & Southern	138	148	195	39	58
Weatherford M. W. & N. W.	32	16	23	25	20
Total	63,396	49,022	44,991	55,807	40,393

Note—Previous year's figures revised.

Bank Debits Up 12% From Last Year

Bank debits as reported by banks in leading centers for the week ended April 29 aggregated $11,141,000,000. Total debits during 13 weeks ended April 29 amounted to $140,882,000,000, or 12% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 2% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 18%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
[In millions of dollars]

Federal Reserve District—	Week Ended Apr. 29, 1942	Week Ended Apr. 30, 1941	13 Weeks Ended Apr. 29, 1942	13 Weeks Ended Apr. 30, 1941
Boston	644	541	8,318	7,079
New York	4,270	4,054	53,734	52,087
Philadelphia	591	628	7,592	6,866
Cleveland	896	696	10,472	8,770
Richmond	446	367	5,861	4,838
Atlanta	349	303	4,920	4,100
Chicago	1,791	1,488	22,099	19,163
St. Louis	340	295	4,587	3,786
Minneapolis	238	229	2,642	2,189
Kansas City	347	281	4,493	3,709
Dallas	298	232	3,804	3,128
San Francisco	929	808	12,361	10,149
Total, 274 reporting centers	11,141	9,922	140,882	125,864
New York City*	3,887	3,691	48,574	47,610
140 other centers*	6,319	5,445	79,700	67,848
133 other reporting centers	935	786	12,608	10,406

*Included in the national series covering 141 centers, available beginning with 1919.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report states that production of bituminous coal continues at a rate well above 11,000,000 tons. The total output for the week ended April 25, 1942, is estimated at 11,500,000 net tons, approximately the same figure as for the preceding week.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended April 25, 1942, was estimated at 1,289,000 tons, a decrease of 29,000 tons, or 2.2% from the preceding week. When compared with the output in the corresponding week of 1941, however, there was an increase of 600,000 tons (about 87%). The calendar year to date shows a gain of 12.8% when compared with the corresponding period of 1941.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 25, 1942, showed an increase of 5,800 net tons when compared with the output for the previous week. Coke from beehive ovens increased 8,200 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			January 1 to Date		
	‡Apr. 25 1942	Apr. 18 1942	Apr. 26 1941	§Apr. 25 1942	Apr. 26 1941	Apr. 24 1937
*Bituminous coal—						
Total, incl. mine fuel	11,500	11,515	1,566	180,894	138,694	155,827
Daily average	1,916	1,919	261	1,861	1,415	1,622
†Crude petroleum—						
Coal equiv. of weekly output	5,737	5,678	5,970	102,568	96,508	86,819

*Includes for purposes of historical comparison and statistical convenience the production of lignite.

†Total barrels produced during the week converted into equivalent coal assuming 6,000 000 b.t.u. per barrel of oil and 13,100 b.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702).

‡Subject to revision.

§Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar year to date		
	§Apr. 25 1942	Apr. 18 1942	Apr. 26 1941	Apr. 25 1942	Apr. 26 1941	Apr. 27 1929
Penn. anthracite—						
*Total, incl. colliery fuel	1,289,000	1,318,000	689,000	18,522,000	16,418,000	23,918,000
†Commercial production	1,225,000	1,252,000	655,000	17,596,000	15,597,000	22,196,000
Beehive coke—						
United States total	161,200	153,000	6,800	2,460,000	1,679,800	1,022,300
By-product coke—						
United States total	1,170,400	1,164,600	‡	19,213,600	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					¶April avge.
State—	April 18 1942	April 11 1942	April 19 1941	April 20 1940	April 17 1937	1923
Alaska	3	4	3	3	3	**
Alabama	391	402	41	277	22	412
Arkansas and Oklahoma	53	45	8	18	5	70
Colorado	116	133	60	94	55	184
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,276	1,198	198	748	513	1,471
Indiana	455	456	30	289	175	514
Iowa	55	50	29	43	22	100
Kansas and Missouri	155	147	88	82	35	138
Kentucky—Eastern	963	961	26	750	720	620
Kentucky—Western	216	214	329	132	75	188
Maryland	42	93	4	26	22	52
Michigan	6	6	8	7	3	22
Montana	71	69	41	42	29	42
New Mexico	27	26	19	20	30	59
North and South Dakota	35	37	17	20	20	**16
Ohio	750	728	70	370	296	766
Pennsylvania bituminous	2,888	2,742	19	1,567	1,918	3,531
Tennessee	158	153	26	128	47	121
Texas	6	5	7	15	16	20
Utah	70	84	1	46	36	70
Virginia	410	400	58	266	165	249
Washington	36	34	28	22	26	35
*West Virginia—Southern	2,310	2,314	6	1,703	1,560	1,256
†West Virginia—Northern	904	907	53	535	525	778
Wyoming	118	116	106	92	62	116
‡Other Western States	††	††	1	1	††	**6
Total bituminous coal	11,515	11,275	1,277	7,297	6,380	10,836
§Pennsylvania anthracite	1,318	1,112	589	903	1,653	1,974
Total, all coal	12,833	12,387	1,866	8,200	8,033	12,810

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G., and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514,622	101	102
Jan. 31	181,070	167,040	528,698	101	102
Feb. 7	162,894	168,424	522,320	101	102
Feb. 14	156,745	167,424	510,542	101	102
Feb. 21	157,563	165,240	496,272	102	102
Feb. 28	163,067	164,601	493,947	100	102
Mar. 7	177,823	165,081	505,233	101	101
Mar. 14	140,125	166,130	476,182	100	101
Mar. 21	157,908	169,444	465,439	101	101
Mar. 28	144,061	168,394	442,556	100	101
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101
Apr. 18	129,834	153,442	404,199	94	101
Apr. 25	139,026	156,201	388,320	93	100

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the weeks ended April 11 and 18 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended—	April 11	April 18
Odd-lot-Sales by Dealers:		
(Customers' Purchases)		
Number of orders	10,313	12,581
Number of shares	261,745	308,680
Dollar value	$9,156,852	$10,664,822
Odd-lot Purchases by Dealers:		
(Customers' Sales)		
Number of orders:		
Customers' short sales	246	334
*Customers' other sales	10,958	11,318
Customers' total sales	11,204	11,652
Number of shares:		
Customers' short sales	7,042	9,248
*Customers' other sales	246,393	279,439
Customers' total sales	253,435	288,687
Dollar value	$7,671,060	$8,802,455
Round-lot Sales by Dealers:		
Number of shares:		
Short sales	350	410
†Other sales	68,610	73,020
Total sales	68,960	73,430
Round-lot Purchases by Dealers:		
Number of shares	69,730	86,160

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Cotton Ginned From The Crop Of 1941

Cotton ginnings for the crop of 1941 totaled 10,494,881 running bales, according to a final report on cotton ginnings issued on April 29 by J. C. Capt, Director of the Bureau of the Census. The statistics on cotton ginnings were compiled from the individual returns collected from 11,151 active ginneries located in 887 counties in 18 States. The final figures of 10,494,881 running bales, counting round as half bales, are 5,996 running bales greater than the preliminary figures issued on March 20. The ginnings for the 1941 crop are equivalent to 10,741,579 bales of 500 pounds each.

The Bureau of the Census will issue soon the annual bulletin on Cotton Production for the crop of 1941. This bulletin will show the ginnings for the crops of 1941, 1940, and 1939, and production for the crops of 1941 and 1940, by States and by counties. It will show also the ginnings to specified dates throughout the season, by States and by counties, for the crop of 1941.

Final figures of cotton ginned by States for the last three crops are shown in the following tabular statement. Quantities are given in both running bales, counting round as half bales, and in equivalent 500-pound bales.

COTTON GINNED FROM THE CROPS OF 1941, 1940 AND 1939
[Linters are not included]

	Running Bales (Counting round as half bales)			Equivalent 500-Pound Bales (Gross weight)		
State—	1941	1940	1939	1941	1940	1939
United States	10,494,881	12,297,970	11,481,300	10,741,579	12,564,988	11,815,759
Alabama	774,441	768,525	769,696	788,033	775,459	781,602
Arizona	178,337	190,194	199,830	182,719	195,955	202,502
Arkansas	1,381,214	1,477,110	1,359,884	1,437,605	1,510,238	1,421,694
California	395,569	530,479	435,085	402,122	543,497	442,327
Florida	14,885	17,916	9,671	14,367	17,502	9,026
Georgia	637,469	1,006,657	908,990	629,770	1,015,453	919,349
Illinois	5,474	3,761	4,130	5,721	3,769	4,360
Kentucky	17,127	11,238	13,037	16,863	10,900	12,632
Louisiana	310,501	448,996	717,921	313,475	456,886	744,898
Mississippi	1,367,558	1,238,286	1,536,263	1,423,908	1,250,412	1,585,149
Missouri	471,019	395,828	427,824	471,490	384,590	431,774
New Mexico	96,059	114,583	93,831	97,621	117,839	95,320
North Carolina	568,978	748,644	461,715	559,466	743,691	460,166
Oklahoma	692,303	764,706	511,850	712,130	789,317	517,373
South Carolina	408,098	945,781	852,081	403,387	968,354	873,283
Tennessee	574,121	502,871	432,383	596,113	507,277	445,489
Texas	2,557,702	3,111,051	2,736,764	2,663,004	3,252,556	2,858,525
Virginia	24,026	21,344	10,345	23,785	21,302	10,285

Labor Bureau's Wholesale Price Index Again Advanced Slightly In April 25 Week

The Bureau of Labor Statistics, U. S. Department of Labor, announced on April 30 that although commodity prices in primary markets continued to rise moderately, the increase during the week ended April 25 was confined to relatively few markets, probably because of reports of greatly expanded price control by the Office of Price Administration. Led by higher prices for foods, the Bureau's comprehensive index of prices of nearly 900 series advanced 0.3%. At 98.6% of the 1926 level the index reached the highest point since September, 1928. In the past month the all-commodity index has advanced slightly more than 1% and is nearly 19% higher than it was a year ago at this time.

(1926=100)

						Percentage changes to April 25, 1942, from		
Commodity Groups—	4-25 1942	4-18 1942	4-11 1942	3-28 1942	4-26 1941	4-18 1942	3-28 1942	4-26 1941
All Commodities	98.6	98.3	98.1	97.4	83.0	+0.3	+1.2	+18.8
Farm products	104.8	105.2	104.6	103.4	74.3	—0.4	+1.4	+41.0
Foods	99.6	98.6	97.0	95.9	78.1	+1.0	+3.9	+27.5
Hides and leather products	119.8	119.8	119.8	117.6	104.7	0.0	+1.9	+14.4
Textile products	97.0	97.0	97.1	95.9	80.7	0.0	+1.1	+20.2
Fuel and lighting materials	78.5	78.1	77.9	78.1	73.5	+0.5	+0.5	+6.8
Metals and metal products	103.9	103.9	103.9	103.7	97.9	0.0	+0.2	+6.1
Building materials	108.8	108.8	110.5	110.6	100.1	0.0	—1.6	+8.7
Chemicals and allied products	97.1	97.1	97.1	97.1	82.6	0.0	0.0	+17.6
Housefurnishing goods	104.4	104.4	104.3	104.1	91.6	0.0	+0.3	+14.0
Miscellaneous commodities	90.0	89.6	89.7	89.7	78.4	+0.4	+0.3	+14.8
Raw materials	100.4	99.9	99.4	98.3	77.1	+0.5	+2.1	+30.2
Semimanufactured articles	92.6	92.7	92.8	92.2	85.2	—0.1	+0.4	+8.7
Manufactured products	98.9	98.6	98.5	97.9	85.8	+0.3	+1.0	+15.3
All commodities other than farm products	97.3	96.9	96.7	96.1	85.0	+0.4	+1.2	+14.5
All commodities other than farm products and foods	95.6	95.5	95.6	95.3	86.1	+0.1	+0.3	+11.0

FDR Urges Fed. Agencies To Curtail Auto Use

President Roosevelt on April 29 called on the heads of Federal departments and agencies "to substantially reduce the number of automobiles which are necessary to take men and women to and from their places of work." In his letter the President said that "with the shortage of rubber and the prospective necessity for curtailing the civilian consumption of gasoline, the transportation problem for workers in many communities is rapidly becoming critical. It is imperative that we extend as long as possible that period of time in which we can count on private transportation of factory and office workers to their places of work and home again." He further stated that "the transportation problem in Washington is no exception to that existing in very many of our communities at present."

The working out of the program called for, said the President, "should be undertaken immediately and thoroughly." He added:

> A few Federal agencies have already taken steps in this direction, and an interchange of ideas and experiences should facilitate the development of the most effective program. I would like to have a report from each department and agency at the end of 30 days relating the effectiveness of steps which have been taken.
>
> I am also sending a copy of this letter to the Council of State Governments, the American Municipal Association, and the United States Conference of Mayors, asking that they use their influence to bring about the inauguration of similar programs in the State and local governments.

Lumber Movement—Week Ended April 25, 1942

Lumber production during the week ended April 25, 1942, was 3% greater than the previous week, shipments were 1% greater, new business 2% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 18% above production; new orders 41% above production. Compared with the corresponding week of 1941, production was 3% less, shipments, 10% greater, and new business 29% greater. The industry stood at 135% of the average of production in the corresponding week of 1935-39 and 144% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 16 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 6% above the shipments, and new orders 12% above the orders of the 1941 period. For the 16 weeks of 1942, new business was 30% above production, and shipments were 17% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 59% on April 25, 1942, compared with 38% a year ago. Unfilled orders were 34% greater than a year ago; gross stocks were 15% less.

Softwoods and Hardwoods

Record for the current week ended April 25, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	480	480	483
Production	247,107	255,703	239,897
Shipments	291,555	265,862	287,696
Orders	347,812	270,480	354,599

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	387		109	
Production	235,470	—100%	11,637	—100%
Shipments	278,715	118	12,840	110
Orders	333,295	142	14,517	125

Items About Banks, Trust Companies

E. Chester Gersten, President of the Public National Bank & Trust Co. of New York, has announced that Daniel F. O'Meara of the main office, has been advanced from Assistant Vice-President to Vice-President and that Arthur W. Somers, also of the main office, has been appointed an Assistant Cashier.

The Orange County Trust Co., Middletown, N. Y., is observing its 50th anniversary. During its 50 years existence the institution's deposits have grown from $58,127 on July 1, 1892, two months after the opening, to $6,732,857 on Jan. 1, 1942. John S. Sammis has been President of the trust company since January, 1935. He was at one time Assistant Vice-President of the old Lincoln National Bank in New York City, and later Vice-President of the Irving Trust Co. of New York.

The Trustees of the Citizens National Bank & Trust Co., of Englewood, N. J., announced on April 30 that Robert C. Post, President of Post & McCord of New York, has been elected Chairman of the Board to succeed Clinton H. Blake, New York attorney. Frederick S. Duncan, general patent counsel for the American Chain and Cable Co. has been elected Vice-President to succeed Mr. Post. Mr. Post has been a Director of the bank since 1915 and Mr. Duncan a Director since 1914.

The retirement of James F. McKinney as President of the Palisades Trust & Guaranty Co., of Englewood, N. J., and of the election of Douglas W. Morgan to succeed him, was announced on April 30 by Edmund W. Wakelee, Chairman of the Board of the bank and President of Public Service Corporation of New Jersey. The announcement was made at a dinner at the Englewood Golf Club in honor of Mr. McKinney.

James V. R. Porteous, President of Greenshields Hodgson Racine, Ltd., Montreal, was elected a Director of the Bank of Montreal on April 28.

In its statement of accounts as of March 25 the Midland Bank, Ltd. (London), and its affiliates, reports total assets of £673,735,381, as compared with £830,454,998 at the end of December, 1941. Current, deposit and other accounts at the latest date are given as £631,924,383, against £775,862,987 on the earlier date. The bank's paid-up capital is listed at £15,158,621, the same as in the previous statement, and the reserve fund is also unchanged at £12,410,609.

Treasury Offers $1,250,000,000 of 2s Due 1951 And Unspecified Amount of 2½s Due 1967

Secretary of the Treasury Morgenthau on May 4 announced an offering of two series of Treasury bonds, through the Federal Reserve Banks, and invited cash subscriptions, at par and accrued interest, for $1,250,000,000, or thereabouts of 2% Treasury Bonds of 1949-51, and for an unspecified amount of 2½% Treasury Bonds of 1962-67.

In describing the two bonds, the Treasury announcement said:

> The Treasury Bonds of 1949-51, now offered for subscription, will be dated May 15, 1942, and will bear interest from that date at the rate of 2% per annum payable semi-annually with the first coupon due Sept. 15, 1942, for a fractional period. The bonds will mature Sept. 15, 1951, but may be redeemed, at the option of the United States, on and after Sept. 15, 1949. The bonds will be issued in two forms: bearer bonds with interest coupons attached, and bonds registered both as to principal and interest. Both forms will be issued in denominations of $100, $500, $1,000, $5,000, $10,000 and $100,000. For these bonds restrictions recently in effect as to the basis of subscriptions to Government securities will not apply. All subscriptions for amounts up to $10,000 will be allotted in full; other subscriptions will be received subject to allotment.
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> The Treasury Bonds of 1962-67, also offered for subscription at this time, will be dated May 5, 1942, and will bear interest from that date at the rate of 2½% per annum, payable semi-annually, with the first payment due Dec. 15, 1942, covering the period from May 5, 1942. The bonds will mature June 15, 1967, but may be redeemed, at the option of the United States, on and after June 15, 1962. Bonds registered both as to principal and interest will be issued in denominations of $100, $500, $1,000, $5,000, $10,000 and $100,000; they will not be issued in coupon form prior to May 5, 1952, but coupon bonds in these denominations will be available and freely interchangeable with the registered bonds after that date. These bonds will not be transferable for the first 60 days from May 5, and they will not be available for subscription by commercial banks accepting demand deposits, nor eligible for transfer to such banks for a period of ten years from May 5. The bonds may be pledged as collateral for loans, including loans by commercial banks which accept demand deposits, but any such banks acquiring the bonds because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks. As the offering is not specifically limited in amount, it will remain open for a period longer than customary.
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> Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circulars released today.
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> Subscriptions for the bonds of both series will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. Banking institutions generally, and in addition, for the 2½% Treasury Bonds of 1962-67, security dealers generally, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. For the 2% Treasury Bonds of 1949-51, subscriptions from banks and trust companies for their own account will be received without deposit, but subscriptions for these bonds from all others must be accompanied by payment of 10% of the amount of bonds applied for. Subscriptions for the 2½% Treasury Bonds of 1962-67 must be accompanied by payment in full.
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> The right is reserved to close the books as to any or all subscriptions or classes of subscriptions for bonds of either or both series at any time without notice. The basis of allotment for the 2% Treasury Bonds of 1949-51 will be publicly announced, and payment for any such bonds allotted must be made or completed on or before May 15, 1942, or on later allotment. Subscriptions for the 2½% Treasury Bonds of 1962-67 will be allotted in full as received, and payment at par and accrued interest, if any, must be made on or before May 5, 1942, or on later allotment. One day's accrued interest is about seven cents per $1,000.

Subscription books to the 2% bond offering were closed at the close of business the day they were offered (May 4), but, as planned, the books for the issue of 2½% registered bonds will be kept open for a longer period than customary.

Mr. Morgenthau had revealed on April 30 the form the Treasury's May financing program would take. The third point of the plan involves an increase to $250,000,000 in the weekly Treasury bill offering. Since last December the usual $150,000,000 of bills has been offered but beginning with this week's offering, bills dated May 13, it will be $250,000,000. The first offering will be made tomorrow (May 8) and will continue at this level for the next several weeks.

The Treasury was advised on April 30 that the Federal Open Market Committee had directed the 12 Federal Reserve Banks to purchase for the System Open Market Account all Treasury bills that may be offered to such banks, on a discount basis, at the rate of ⅜% per annum.

The National Committee of the Securities Industry for War Financing, made up of four leading financial organizations, preparatory to the offering date, mailed full instructions, together with subscription forms, to over 5,000 securities firms in order to have an all-out sales effort on behalf of the 2½% registered bonds, designed especially for investment by other than commercial banks.

The committee includes James F. Burns, Jr., President of the Association of Stock Exchange Firms; Emil Schram, President of the New York Stock Exchange; John S. Fleek, President of the Investment Bankers Association, and H. H. Dewar, Chairman of the National Association of Securities Dealers. This group conferred with Secretary Morgenthau in Washington last week on the part the industry was to play in the new 2½% offering. This Committee's initial role in aiding the Treasury financing effort was taken last month with the flotation of $1,500,000,000 of ½% certificates of indebtedness.

Preliminary reports (May 5 on subscriptions to the 2% bond offering showed that it had been oversubscribed two and one-half times. Secretary Morgenthau announced on May 5 that the Treasury would give a full day's notice before it closes the books on the 2½% bond offer.

NY Senate Refuses To Vote Against Seaway Projects

The New York State Senate, at its closing session on April 24, rejected a resolution terming the St. Lawrence Seaway project "the height of folly" in war-time. The Assembly had gone on record as opposing the development, but the Senate by a voice vote refused to follow that stand. Both branches of the Legislature had assumed similar positions last year.

The Assembly's adoption of the resolution was noted in our issue of April 30, page 1716.

1942 Wheat Loan Rate Up; Announce Quotas

The Department of Agriculture announced on May 1 a loan program for the 1942 wheat crop averaging nationally $1.14 a bushel at the farm, which is 16 cents higher than the national average of 98 cents for the 1941 crop. The announcement states that the operation of this loan program will be contingent upon the approval of wheat marketing quotas in the national referendum on May 2. The Agriculture Department reported on May 3 that tabulations of the wheat growers' ballots indicated approval by a 4-to-1 vote of the marketing control program. The referendum, held in 40 wheat-growing States, showed a count of 279,838 for, and 63,497 against the program. These figures, although not final, showed that more 75% favored continuance of the program. A two-thirds margin was necessary.

The loan program's general provisions are similar to those of the 1941 program. The rates are based upon a return equivalent to 85% of parity. Loan programs also were announced for rye, barley, and grain sorghums. As in previous years, the loans will be made by the Commodity Credit Corporation and will be administered in the field by the County Agricultural Conservation Committees.

Regarding the wheat loan program the Department on May 1 said:

> All growers who comply with their acreage allotments will be eligible for wheat loans. Cooperators will be eligible for loans at one-half the regular rate on marketing excess wheat resulting from harvesting volunteer crops. Non-cooperators will be eligible for loans at 60% of the regular rate on the wheat that would be subject to penalty if marketed.
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> The location differentials that will apply under the 1942 program have been determined on the basis of recent market differences, and are slightly different from those which applied under the previous program, since market prices have changed reflecting a further decrease in exports. Premiums and discounts for grade and quality are similar to those which applied last year.
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> The loans on wheat stored in approved warehouses will be made on the security of the warehouse receipts, while loans on farm stored wheat will be secured by chattel mortgage as in the past. Loans will be available through Dec. 31, 1942, and will mature on demand, but not later than April 30, 1943.
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> A storage allowance of 7 cents a bushel will be allowed in addition to the loan value for wheat stored on the farm. The allowance will be paid in advance to stimulate the construction of new storage structures and repairs to old bins. However, if the producer redeems his wheat, he shall be required to repay the full amount borrowed (including the storage allowance) plus interest.

FDR Signs War Funds Bill

President Roosevelt signed on April 28 the $19,138,000,000 supplemental war appropriation bill which carries a rider authorizing the government to renegotiate war contracts deemed to yield excessive profits. The War Department receives over $17,000,000,000 of the total, for 31,000 war planes and for supplies and equipment of a 3,600,000-man army, while the navy gets about $1,000,000,000. Other agencies connected with the war effort receive smaller amounts.

Final Congressional action on the measure was referred to in these columns of April 30, page 1712.

From Washington

(Continued from First Page)

tooth paste, and secondly, that superlative genius who evolved the idea of doing away with cuffs on the trousers, to say nothing of the extra pair of pants.

But the doctor was consoled as he prepared a paper outlining his plan in the knowledge that his idea was a variation, an evolution of these other ideas, and after all, the Thinker must be as practical as the boys in Tin Pan Alley. The Thinker must quit holding back. In a rapidly moving world he must learn the tricks of the trade and sell his wares.

Well sir, in a town surcharged with ideas, in a town overrun with Thinkers, it is a commentary on the doctor's get up and get, that his idea caught on. In no time an agency had been set up known as the NTIASTDTAPA, the most lettered agency created up until that time, the National Turn In a Suit to Defeat the Axis Powers Administration. It was given an appropriation of a couple of billions and the doctor proceeded to bring in 25,000 more professors to serve with him. It seems that in the overall "planning" in Washington, no agency had yet been set up to study the amount of available professors in the country. This draft of 25,000 was the breaking point. Schools began closing up for lack of professors. This brought on an awful squall. It became so pronounced that an Administration, ever cognizant of the problems of the home front, set up another agency to study the subject of whether too many professors were being drawn from the schools. It was given an appropriation of $2 billion and called the NATSTQOP, the National Agency to Study the Question of Professors.

It was inevitable that as the business of defeating the Axis Nations proceeded there should be a conflict between the NTIASTDTAPA's draft of the professors and the NATSTQOP's study of them. This became so heated that a distressed people began hollering for unity, for coordination, for integration of the Government's war efforts. For many months it was resisted by the Government and Archie MacLeish's office countered with a propaganda that the agitation was being stirred up, 1, by Hitler; 2, by Roosevelt haters; 3, by Col. McCormick and Capt. Joseph Medill Patterson. The thing to do, reported Archie's office was: 1, 2 and 3, behead Col. McCormick and Captain Patterson.

You can't imagine how a people can be stirred by such an emotional issue as was thus proposed. It was debated from the housetops, from the pulpits, from the forums and in the press. As the debate proceeded in its full fury charges were made that Archie MacLeish's office had conceived and put into effect the idea of blowing the air raid sirens in favor of the proposition to behead Col. McCormick and Captain Patterson which had the effect of stampeding the people in that direction. This so outraged public opinion that the Administration set up an agency to protect the people's interests in this debate. It was called the ATPTPIITD, and given $2 billion appropriation.

The matter was finally settled by beheading Col. McCormick and Captain Patterson and the 132 million people of the country, those who were left, all going to work on the payroll of one of the agencies which had been created in the turmoil. It was looked upon widely as a solution to a troubled people's problem. God only knows what ever happened to Hitler in the meantime, but there are reports that he went nuts.